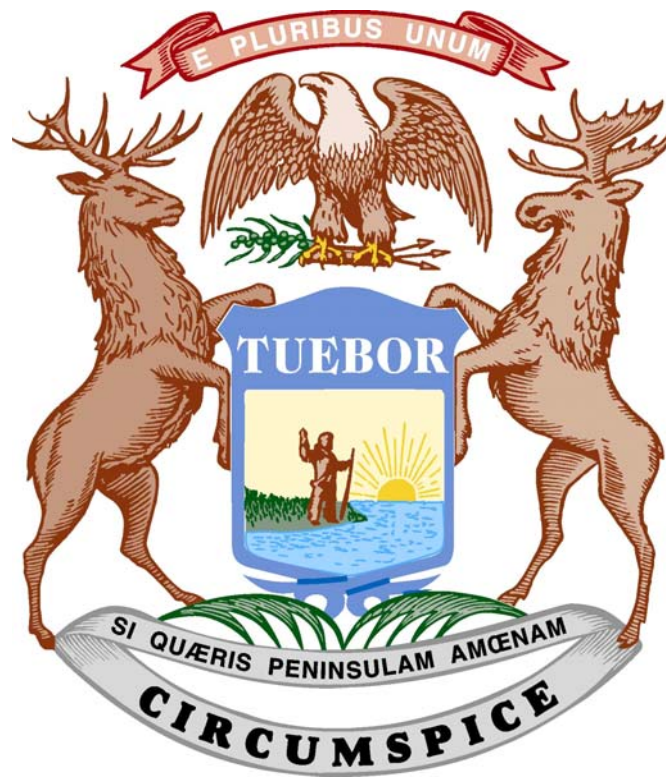
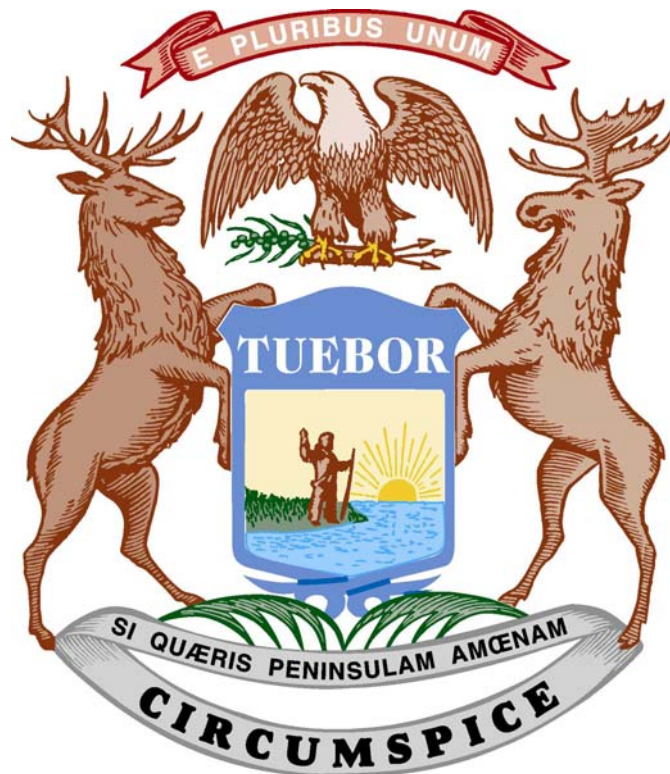


2008 ECONOMIC REPORT OF THE STATE TREASURER



2008 ECONOMIC REPORT OF THE STATE TREASURER



Robert J. Kleine, State Treasurer

Transmitted to the Michigan Legislature
December 2009



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

ROBERT J. KLEINE
STATE TREASURER

December 2009

To the Members of the Michigan Legislature and the People of the State of Michigan:

It is my pleasure to submit to you the *2008 Economic Report of the State Treasurer*. The *Report* highlights the economic challenges being faced by our state and some of the important steps being undertaken to address these challenges.

The *Report* provides an overview of Michigan's economy and recent economic events and the challenges created by these events. The report then discusses the numerous reform efforts underway. In addition, the report contains detailed statistical tables describing a number of important features of Michigan's economy.

We hope this report provides useful information to individuals, policymakers, and businesses that will help them in decision making as they strive to make our state a better place to live and work.

Sincerely,

A handwritten signature in cursive script that reads "Robert J. Kleine".

Robert J. Kleine
State Treasurer

Acknowledgements

This *Report* was prepared by the staff of the Office of Revenue and Tax Analysis of the Michigan Department of Treasury. Important contributions were made by Evah Cole, Scott Darragh, Jeff Guilfoyle, Denise Heidt, Andrew Lockwood, Mindy Parshall and Thomas Patchak-Schuster.

The Michigan Department of Treasury is solely responsible for the accuracy of the information presented in this *Report*.

2008 Economic Report of the State Treasurer

Table of Contents

Introduction.....	2
Background on Michigan’s Economy	3
Auto Sector Restructuring	8
GM and Chrysler Bankruptcy.....	9
Emerging from Bankruptcy	10
Housing.....	11
Financial Crisis	14
Federal Stimulus Package.....	19
Creating Opportunity in a Changing World.....	20
2009 Update.....	25
Conclusion	28
Appendix.....	29
Statistical Tables	30

Appendix A

Statistical Tables

Table

A-1	U.S. and Michigan Labor Force and Unemployment	30
A-2	Michigan Manufacturing and Durable Goods Employment...	31
A-3	Michigan Manufacturing and Nondurable Goods Employment.....	32
A-4	Michigan Nonmanufacturing and Private Service- Producing Employment	33
A-5	Michigan Payroll Employment by Major Category.....	34
A-6	Public Sector Employment in Michigan	35
A-7	State of Michigan Classified Employees by Department Per Fiscal Year.....	36
A-8	Michigan MSA and County Employment and Unemployment Rates.....	37
A-9	Michigan Labor Force Statistics by Age, Race and Sex – 1999 and 2007.....	40
A-10	U.S. and Michigan Employment, Employment Shares, and Location Quotient for 2007	41
A-11	New Incorporations in Michigan	42
A-12	U.S. and Michigan Manufacturing Industries Average Weekly and Hourly Earnings.....	43
A-13	Michigan Personal Income, by Major Source.....	44
A-14	Michigan Personal Income, by Industry	45
A-15	U.S. and Michigan Personal and Per-Person Income	46
A-16	U.S. and Michigan Real Personal and Per-Person Income	47
A-17	County and Metro Area Per-Person Income	48
A-18	Michigan Gross State Product by Sector – Millions of Dollars	51
A-19	U.S. and Detroit Consumers Price Indices and Inflation Rates – Calendar Year.....	52
A-20	U.S. and Detroit Consumers Price Indices and Inflation Rates – Michigan Fiscal Year	53
A-21	U.S. and Detroit Consumer Price Indices Detail	54
A-22	U.S. Interest Rates	55
A-23	U.S. and Michigan Resident Population	56
A-24	Michigan Population by County	57
A-25	U.S. Population, Ranked by State.....	60
A-26	U.S. Motor Vehicle Stocks, Age, and Michigan Vehicle Registrations	61
A-27	U.S. Motor Vehicle Sales	62
A-28	U.S. and Michigan Motor Vehicle Production	63
A-29	New Private Housing Units Authorized in Michigan MSAs	64
A-30	Median Price of Existing Homes – Michigan Metropolitan Areas, 1988-2007	65

A-31	10-Year State of Michigan Revenue History	66
A-32	State Revenue Limit Calculation – Article IX Section 26	67
A-33	Counter Cyclical Budget and Economic Stabilization Fund	68
A-34	Michigan Real Property State Equalized Value (SEV) by Class.....	69
A-35	Michigan Real Property Taxable Value (TV) by Class	70
A-36	Michigan Personal Property State Equalized Value (SEV) by Class	71
A-37	Michigan Real and Personal Property Values, Taxes and Tax Rates.....	72
A-38	Michigan State Equalized Value (Taxable Value), by Local Unit of Government	73
A-39	Michigan General Property Taxes, by Local Unit of Government	74
A-40	Michigan School Property Taxes.....	76
A-41	Homestead Property Tax Credit.....	77
A-42	Historical Distributions of State Revenue Sharing by Type of Local Unit of Government	79
A-43	State and Local Total Tax Burden Comparisons, FY 2005	80
A-44	State and Local Property Tax Burden Comparisons, FY 2005	81
A-45	State and Local Sales Tax Burden Comparisons, FY 2005	82
A-46	State and Local Income Tax Burden Comparisons, FY 2005	83
A-47	Business Taxes as a Share of Total State and Local Taxes and Private Sector Gross State Product, Council on State Taxation Estimates, FY 2006.....	84
A-48	Total Business Establishments by State.....	85
A-49	Michigan Major Sector Payroll.....	86
A-50	Total Private Employment, Payroll, and Number of Establishments by County	87

**2008 Economic Report
of the State Treasurer**

Introduction

In many ways, 2008 was a difficult year for the state of Michigan. Michigan's employment declined for the eighth straight year in 2008. Two of the state's largest employers, General Motors and Chrysler, descended toward bankruptcy. However, the state did make significant progress in diversifying its economic base with new development initiatives in advanced battery production, renewable energy, and motion picture production.

As this report will make clear, Michigan's economic woes can be attributed directly to the struggles of the domestic automakers. When Michigan's automakers dominated the world market, they generated income that led to the prosperity of both workers and shareholders. The automakers produced an abundance of jobs helping to secure a middle class lifestyle for millions of Michigan workers. Intense global competition has led to the steady erosion of the market share of the three Michigan based manufacturers, Ford, GM, and Chrysler (the "Big 3"). The reduced market share coupled with significant manufacturing productivity increases has reduced the Big 3's need for workers and has led to significant downsizing in the state's automotive employment.

As the automotive sector begins to stabilize, employment in Michigan will stop falling, and the state's economy will begin to grow once again. However, stabilizing Michigan's economy will not result in an automatic return to prosperity. It is unlikely that the auto industry will be the engine of economic growth in the future that it was in the past. Michigan will need to turn to other sources for the high paying jobs of the future. Michigan will be in competition for these jobs with the other forty-nine states as well as with Europe, China, India, Mexico, and other rapidly developing countries. To be successful in the future, Michigan needs to put the right pieces in place now to ensure competitiveness. Michigan needs a business climate that will attract businesses to the state, and Michigan needs to train its citizens with the skills that businesses will be seeking.

Recently, Michigan has made some important strides. Michigan took key steps towards preparing its workforce for the future with the passage of the Michigan Promise Scholarship and the enactment of one of the nation's most rigorous high school curriculums. The business climate was improved when the single business tax (SBT) was replaced with the Michigan business tax (MBT). The MBT is more business friendly than the SBT and it provides significant incentives to invest in Michigan, to employ Michigan residents, and to perform research and development in the state.

This report will summarize the current economic climate in Michigan and some of the economic challenges facing the state. It will discuss the actions that the state is taking to meet those challenges and prepare the state and its citizens for the future. It is hoped that this report will provide useful background information to state policymakers and the citizens of this state as they contemplate future actions the state can take to help ensure that Michigan continues to be a great place to live and work.

Background on Michigan's Economy

The U.S. Census Bureau estimates that there were 10,003,400 people in Michigan in 2008, ranking the state the 8th largest behind California, Texas, New York, Florida, Illinois, Pennsylvania, and Ohio. Michigan's population has changed little in recent years with the population increasing by only 65,000 (0.65 percent) since the 2000 Census. Michigan's population actually declined in 2008 (-46,400) because net migration (-92,600) reduced the state's population by more than births less deaths increased it (45,400). Michigan's negative net migration is not primarily due to residents leaving the state, but rather is attributable to very low in-migration. Between 2000 and 2006, Michigan ranked last among the states in annual out-migration. Michigan out-migration averaged 1.7 percent per year compared to the U.S. average of 2.4 percent. However, Michigan also ranked 49th lowest for in-migration, with in-migration of just 0.5 percent, compared to the national average of 2.8 percent.¹

Fewer People Leave Michigan Than Other States

Average of Annual Rates from 2000-2006

State	Rate of Out-Migration To Other States	Rank
United States Average	2.4%	
District of Columbia	8.3%	1
Alaska	7.3%	2
Wyoming	5.0%	3
Hawaii	4.5%	4
Nevada	4.2%	5
California	1.9%	46
Ohio	1.8%	47
Wisconsin	1.8%	48
Texas	1.8%	49
Pennsylvania	1.8%	50
Michigan	1.7%	51

Source: Michigan Department of History, Arts, and Library using U.S. Census data.

Texas, California, and Florida added the most residents between 2000 and 2008 adding 3.5 million, 2.9 million, and 2.3 million residents respectively. Michigan had the 41st largest increase in residents between 2000 and 2008, adding 64,900 people. By contrast the two states ranking just below Michigan in overall population added significantly more residents than Michigan. Georgia added 1,499,000 residents between 2000 and 2008 and now stands just

¹ This information based on data from State Demographer, Ken Darga, March 2008.

318,000 residents behind Michigan, while North Carolina added 1,176,000 residents and stands 781,000 residents behind Michigan.

Fewer People Migrate to Michigan

Average of Annual Rates from 2000-2006

<u>State</u>	<u>Rate of In-Migration From Other States</u>	<u>Rank</u>
United States Average	2.8%	
District of Columbia	7.3%	1
Nevada	7.0%	2
Alaska	6.0%	3
Wyoming	5.6%	4
Arizona	5.5%	5
Idaho	5.3%	6
Illinois	1.9%	47
Ohio	1.8%	48
Michigan	1.6%	49
California	1.6%	50
New York	1.2%	51

Source: Michigan Department of History, Arts, and Library using U.S. Census data.

In percentage terms, the fastest growing states are generally, but not always, low population states. Nevada grew the fastest in percentage terms between 2000 and 2008, adding 602,000 residents, representing a 30.1 percent increase. Other fast growing states included Arizona (26.7 percent), Utah (22.5 percent), Georgia (18.3 percent), and Idaho (17.8 percent). Michigan had the 47th highest percentage increase in population growth with 0.7 percent growth, ahead of West Virginia (0.3 percent), Rhode Island (0.2 percent), North Dakota (-0.1 percent), and Louisiana (-1.3 percent).

Michigan's population is concentrated in the southeastern portion of the state. The state's three most heavily populated counties are Wayne, Oakland, and Macomb, which together contain almost 40 percent of the state's population. Kent County, the location of the City of Grand Rapids, contains 6 percent of the state's population.

Michigan's most populous counties also represent the highest concentration of Michigan private sector workers. Wayne, Oakland, and Macomb Counties account for 45 percent of the state's private sector employment and 51 percent of the state's private sector payroll. Kent County has 8.5 percent of the state's private sector employment and 8.0 percent of the state's private sector payroll.

Michigan Labor Force Statistics

Category	Unemployment Rate (%)			Labor Force Participation Rate (%)		
	1999	2008	Change	1999	2008	Change
<u>Age</u>						
16 - 24 years	9.1	16.4	7.3 pts	71.9	59.5	-12.4 pts
25 - 44 years	2.9	7.8	4.8	85.0	82.3	-2.7
45 - 64 years	2.0	6.0	4.1	72.9	71.1	-1.8
Over 65 years	2.3	4.1	1.8	12.0	13.9	1.9
All Groups	3.8	8.4	4.7	68.5	63.4	-5.1

Source: Bureau of Labor Statistics, U.S. Department of Labor.

Michigan's civilian labor force consisted of 4,936,000 people in 2008, representing 63.4 percent of the population 16 and over. Of these workers, 91.6 percent were employed and 8.4 percent were unemployed. In contrast, Michigan's unemployment rate had been only 3.8 percent in 1999. Michigan's unemployment rate is lower for older workers, with just 6.0 percent of those ages 45 to 64 unemployed, compared to 16.4 percent for those ages 16 to 24 years.

The unemployment rate is calculated with workers currently in the labor force. Workers that are not employed and that are not currently seeking work are not part of the labor force. Michigan saw a significant decline in the labor force participation rate between 1999 and 2008, with the participation rate falling from 68.5 percent to 63.4 percent. This decline is significantly higher than the decline at the national level where participation fell from 67.1 percent in 1999 to 66.0 percent in 2008. The extensive early retirement incentives offered by the auto companies over this time period are responsible for a significant portion of Michigan's decline. Workers who retire from a job and who do not seek new employment opportunities are no longer included in the labor force and unemployment statistics.

However, not all of the drop in the participation rate can be attributed to early retirements. The labor force participation rate for individuals ages 16 to 24 years dropped by 12.4 percentage points, from 71.9 percent to 59.5 percent. As noted above, this age group also has the highest unemployment rate. The employment difficulties faced by these workers highlights the need for programs such as the Michigan Promise Scholarship, and the No Worker Left Behind Program. In addition, the decline in the labor force participation rate in Michigan has been mirrored by a rise in the number of discouraged workers. These are workers who have ceased looking for work due to the belief the search would not be successful. The impact of discouraged workers as a percentage of the labor force was as large in Michigan at the end of 2008 as anywhere in the U.S.

Michigan payroll employment totaled 4,159,200 in 2008.² Major employment sectors include private service producing (66.7 percent of Michigan employment), government (15.6 percent), manufacturing (13.8 percent), and construction (3.7 percent).

Major sub-sectors in the private service producing category include wholesale and retail trade (15.5 percent of total state employment), health and education services (14.6 percent), professional and business services (13.4 percent), and leisure and hospitality (9.6 percent).

Michigan employment has been declining in recent years. Employment peaked in 2000 at 4,676,900, and fell 11.1 percent between 2000 and 2008. The downturn in Michigan employment is due to the sharp declines in the manufacturing sector employment, which has fallen 36.0 percent since 2000. The manufacturing declines are due primarily to restructuring in the domestic auto industry.

The manufacturing share of employment has been declining in Michigan and nationwide for decades. The increased use of capital in production has led to significant productivity improvements that have allowed goods to be produced with less labor. In the middle part of the 20th century, manufacturing accounted for approximately half of Michigan employment. By 2008, the manufacturing share of employment had fallen to 13.8 percent, meaning that manufacturing employment has gone from representing one in two Michigan jobs to less than one in seven jobs.³

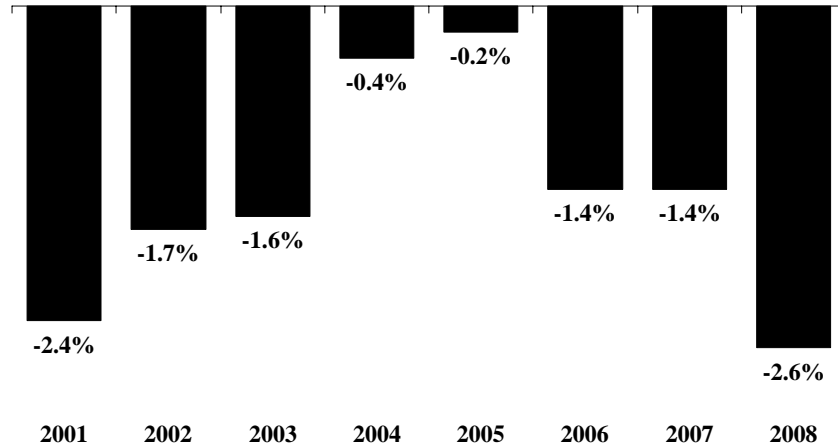
Employment growth at the national level was relatively weak between 2001 and 2003, with national employment growth at 0.0 percent in 2001, -1.1 percent in 2002, and -0.3 percent in 2003. U.S. employment growth turned positive in 2004, with employment growth of 1.1 percent, and then showed continued improvement in 2005 and 2006 with employment growth of 1.7 percent and 1.8 percent, respectively. Growth slowed to 1.1 percent in 2007, before declining 0.4 percent in 2008.

Michigan employment declined continually over this time period, with the sharpest declines occurring in 2001, 2002, and 2003. As the economic recovery took hold at the national level and U.S. employment growth improved, Michigan saw progressively smaller employment declines, with employment falling a marginal 0.2 percent in 2005. However, sharp employment declines returned in 2006 through 2008 as the U.S. economy slowed and eventually entered a recession.

² Michigan labor force, unemployment, and labor force participation statistics use statistics produced by the U.S. Bureau of Labor Statistics from a survey of households. The industry and employment statistics are from a survey of payroll employment also produced by the Bureau of Labor Statistics. The household survey includes domestic and self-employed workers and therefore provides a higher employment total than the survey of employers.

³ Changes in the definitions of industry classifications from SIC to NAICS makes employment data from before 1990 not directly comparable with current statistics, but the reduction in the manufacturing share of employment is pronounced under both classifications.

Change in Michigan Payroll Employment



Source: U.S. Bureau of Labor Statistics

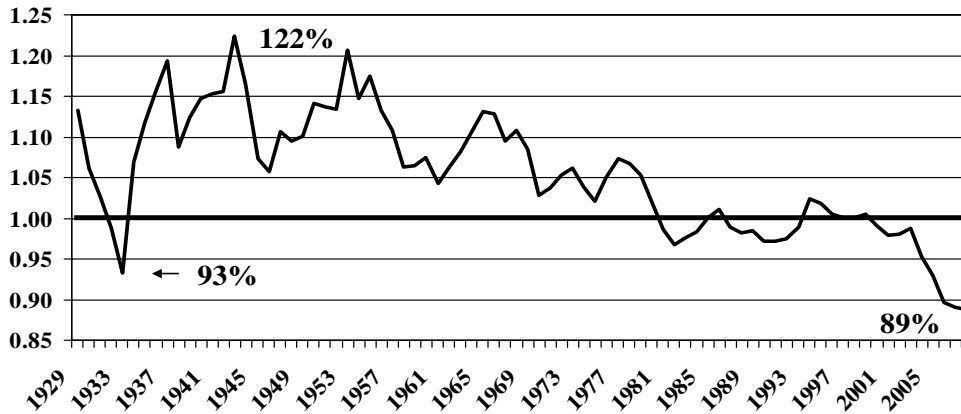
The declines in Michigan employment experienced during 2006 and 2007 accelerated in 2008. The onset of the national recession added to the overall economic weakness that Michigan was already experiencing. Payroll employment declined an additional 2.6 percent in 2008. Employment declines were widespread throughout the economy with only education and health services experiencing employment gains in 2008. During 2008, the steepest declines occurred in construction (-7.6 percent) and manufacturing (-7.2 percent). Transportation equipment manufacturing experienced the largest decline within manufacturing in 2008 (-15.0 percent), with less than half as many individuals employed in the industry as were employed in 2000.

In 2008, Michigan per capita personal income totaled \$35,299, up 2.5 percent from 2007. However, U.S. per capita personal income grew 3.9 percent in 2008, increasing the gap between U.S. and Michigan per capita income. Michigan's per capita income was 89 percent of the U.S. total of \$39,751, below even the 93 percent level hit in 1933. Michigan per capita income consistently exceeded the national average from 1937 through 1981 due to the dominance of Michigan's auto industry. Between 1981 and 1999, Michigan per capita personal income hovered close to the national average and was approximately equal to the national average in 1999.

The restructuring of Michigan's auto industry and the resulting employment declines have caused Michigan's income growth to lag behind the nation. When the auto restructuring is complete, the gap between Michigan and national per capita income will narrow as previously idled workers find new employment. However, for Michigan to fully catch up or exceed the national average of per capita income, Michigan will need to invest in its workers to make sure they have the skills necessary to attract high paying jobs to the state.

Michigan Personal Income Falling Relative to U.S.

Michigan per Capita Income as a Percent of U.S. Per Capita Income



Source: Department of Treasury calculations from Bureau of Economic Analysis data.

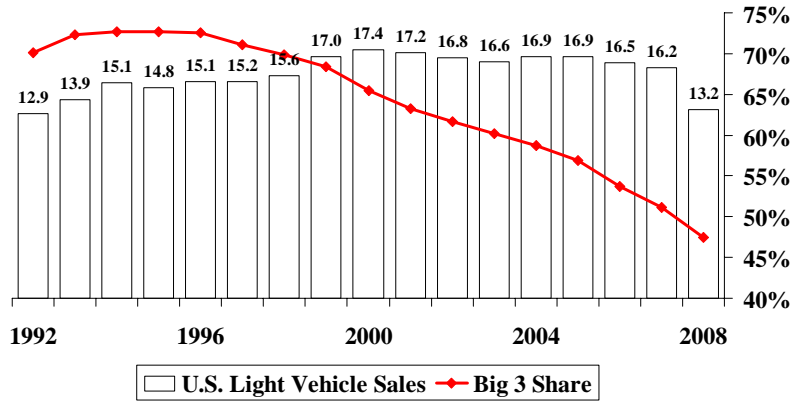
Auto Sector Restructuring

Michigan's auto industry saw a disastrous decline in 2008 and halfway through 2009. Light vehicle sales have consistently fallen to levels not seen in 50 years. GM and Chrysler both declared bankruptcy in 2009 and with the help of the U.S. government hope to emerge as viable automotive companies. Ford Motor Company has not needed government loans as of yet, but depressed vehicle sales and the falling economy have hurt profitability.

Light vehicle sales declined sharply and affected the whole industry. The weakening economy, declining home and stock prices, and job losses lowered sales. Combining the economic stresses with reduced credit availability caused sales to drop precipitously. In 2008, light vehicle sales fell to 13.2 million, the lowest level since 1992. Monthly sales rates have averaged below 10 million units in 2009 so far. As recently as 2007, the light vehicle sales totaled over 16 million units.

Market share for the domestic auto companies has been in decline and falling sharply the past few years. Detroit 3 market share equaled nearly 68 percent in 1998, but 10 years later, had fallen to below 50 percent (46.7 percent) in 2008. More recently, high gasoline prices have caused a shift from SUVs and pickups to CUVs (cross over utilities) and cars. Detroit automakers have dominated the SUV and pickup market, which are generally higher priced vehicles, and the shift to smaller vehicles was especially damaging to revenue.

Big 3 Auto Companies Losing Market Share



Source: Automotive News.

Declining sales and market share for Detroit 3 companies has meant that vehicle production in Michigan has also suffered greatly. In 2008, Michigan motor vehicle production totaled 1.844 million units, down 20.9 percent from the 2007 total of 2.331 million units. Factory shutdowns from low sales rates and bankruptcy proceedings have greatly depressed production levels.

Michigan transportation equipment employment has fallen sharply due to declining sales and motor vehicle production. In 2000, transportation equipment employment totaled 346,100 jobs but by 2008 had declined to 172,100 jobs. Estimates from the May 2009 Consensus Revenue Estimating Conference project employment to fall to 77,500 workers by 2010. Not only has employment declined at the Detroit 3 automakers but the supply base has also been impacted severely.

GM and Chrysler Bankruptcy

GM's and Chrysler's financial situations became precarious in the fall of 2008. Both companies requested financial assistance from the U.S government to keep operating. Although Congress objected, the Bush Administration provided funding under the Troubled Asset Relief Program in December 2008. GM was provided \$13.4 billion in loans while Chrysler was provided \$4.0 billion in loans so each company would not have to immediately declare bankruptcy. Each company was required to design a plan to show they were viable companies by March 31, 2009.

In January 2009, Chrysler and Italian automaker Fiat discussed a proposed alliance where Fiat has a 35 percent stake in Chrysler in exchange for access to technology and overseas markets. After reviewing Chrysler's plan for viability, the Obama administration rejected the plan and gave Chrysler 30 days to complete an alliance with Fiat or have U.S. government assistance terminated.

After reaching an alliance with Fiat and restructuring UAW contracts, Chrysler filed for Chapter 11 bankruptcy when plans to restructure debt with bondholders failed. Most bondholders had agreed to restructure debt, but approximately 20 lenders with \$1 billion in debt failed to agree to terms. Consequently, Chrysler filed for bankruptcy protection at the end of April. Chrysler emerged from bankruptcy in early June 2009 with an alliance with Fiat in place.

After GM received emergency financing, the company revised its viability plan in early 2009. The viability plan was rejected in March 2009 and GM was given 60 days to revise its survival plan. In April 2009, GM idled 13 assembly plants for nine weeks to cut inventory.

At the end of April, GM provided a final plan to organize outside bankruptcy by cutting debt, eliminating half of 6,200 dealers nationwide and closing more plants. In May, the UAW agreed to revise its contract to accept stock and new debt in place of money owed to its health care trust.

At the end of May, bondholders rejected an offer of a 10 percent stake in GM for eliminating \$27 billion in bond debt. The Obama Administration pledged an additional \$30 billion in financing for GM. An offer to bondholders, which was approved, provided a 10 percent equity stake with an option to buy an additional 15 percent share.

On June 1st, GM filed for bankruptcy after operating for more than 100 years. GM emerged from bankruptcy in only 40 days.

Emerging from Bankruptcy

In recent years, Detroit 3 manufacturers have been decreasing production capacity and workers as market share has declined and productivity increased. The recent bankruptcy filings will lead to more plant closings, reduced workforce and dealership closings.

In the Chrysler bankruptcy, three Michigan plants are scheduled to close: The Sterling Heights Assembly plant which builds cars; the Connor Assembly plant which builds a limited production vehicle; and the Detroit Axle plant which provides front and rear wheel axles. Nationally, 789 out of 3,181 total dealerships are scheduled to close with 40 dealerships closing in Michigan.

GM's bankruptcy filing will also lead to plant and dealership closings in Michigan. Nationally, 14 plants are slated to close including two Michigan assembly plants, two Michigan stamping plants and three Michigan engine plants. The two assembly plants that are closing are the Orion Assembly plant which produces cars and the Pontiac East plant which produces light trucks. The Grand Rapids and Pontiac stamping plants are scheduled to close along with the Livonia, Flint and Willow Run engine plants.

While scheduled to close, the Orion Assembly plant and the Pontiac stamping plant are on stand-by capacity. A future small car will be built in the United States at a plant on stand-by capacity. If a Michigan plant is chosen, the employment cuts will not be as deep in Michigan.

Additionally, the Detroit 3 companies have been offering buyouts over the past few years to hourly and salaried workers. The reduction in headcount has been a necessary step in cutting costs due to lower market share.

Auto suppliers have felt the production cuts deeply as many are also in financial trouble. The federal government offered some financial assistance with the Treasury Supplier Support Program where \$5 billion in funding was offered to GM and Chrysler suppliers for parts supplied. Because an auto supplier may provide parts to several manufacturers, a disruption in the supplier ranks could cause problems throughout the manufacturing base.

Many Michigan based suppliers are having financial difficulty. In May 2009, former Ford spin-off Visteon and Metaldyne declared bankruptcy. Delphi, spun-off from GM in 1999, entered bankruptcy in 2005 and emerged from bankruptcy in October 2009.

The domestic auto industry is in very turbulent times. Michigan's auto sector has been shrinking for several years and will be even smaller as GM and Chrysler emerge from bankruptcy proceedings. How the Michigan auto sector fares in the future will depend how GM and Chrysler emerge from bankruptcy and if sales begin to recover to sustainable levels for profitability. The significant changes in the auto industry are close to having run their course, meaning increased potential for Michigan to return to employment growth.

Housing

Economic activity began to slow in the second half of 2007 and the U.S. Bureau of Economic Analysis reported a decline in real GDP in the 3rd quarter of 2008. The primary reason for the U.S. slowdown is a sharp correction occurring in the U.S. housing market. The slowing U.S. economy put added pressure on Michigan's struggling economy and ensured any employment growth in Michigan would wait until 2010.

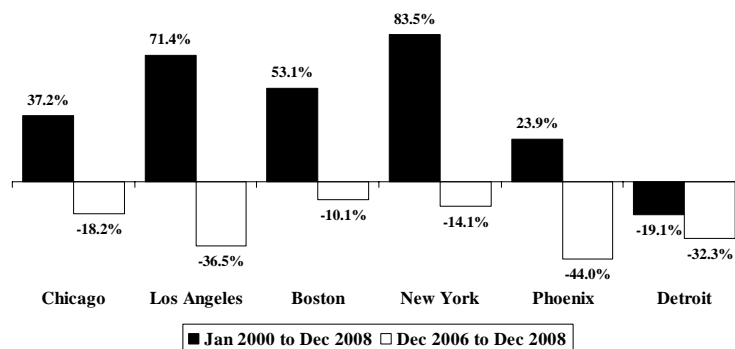
Coming out of the 2001 national recession, the Federal Reserve sharply lowered interest rates. Between June of 2000 and July of 2003, the effective federal funds rate fell from 6.5 percent to approximately 1.0 percent due to a series of Federal Reserve rate cuts. These interest rate reductions led to sharp reductions in housing mortgage rates. The 30-year conventional mortgage rate fell from over 8.0 percent in early 2000 to approximately 5.5 percent in the middle of 2005. Adjustable rate mortgages fell more sharply with one-year adjustable rate mortgages falling below 4 percent for much of 2003 and 2004 and many mortgages were offered with even lower "teaser" rates. An adjustable rate mortgage (ARM) is a loan where the initial interest rate is low but will later adjust to a higher rate at a predetermined date in the future. The low rates on conventional mortgages reflected the broader availability of credit, especially for borrowing secured by housing. Mortgage originations in the U.S. rose from approximately \$2.2 trillion in

2001 to \$3.9 trillion in 2003 (a 77 percent increase), and remained near \$3.0 trillion into 2007⁴. The availability of financing led to an increase in the demand for housing, and an increase in housing prices. Home prices in many areas began to rise rapidly leading to speculation by investors and eventually turning housing into an asset bubble.

Coinciding with the increased demand for housing, mortgage lenders began expanding the amount of lending they did to customers without an established credit history. Mortgage loans made to customers with poor credit histories (subprime mortgages) grew significantly, as the desire to make loans overrode some of the traditional aversion to risk in lending. A willingness to make loans to riskier borrowers was coupled with a movement toward loans with reduced or, in some cases, no down payment. In addition to the increased demand for mortgages to purchase homes, low interest rates sparked a flurry of home refinancing, especially refinancing that involved a withdrawal of equity from the home. As home prices rose, many home owners removed at least some of the new equity through refinancing.

The rapid rise in home prices was especially predominant on the coasts. In Los Angeles, a house purchased in January 2000 for \$200,000 would have been worth \$540,000 in 2006 if its price grew at the average rate, a price appreciation of 170 percent. If the homeowner had purchased the house with a 20 percent down payment of \$40,000 in 2000, the equity would have grown from \$40,000 to \$380,000, an almost ten-fold increase. Rates of returns of this magnitude encouraged increased speculative building and borrowing. The rapid rate of home appreciation made homeowners feel wealthier and many of them borrowed against this increase in equity to finance consumption.

**2008 House Prices Up Since 2000 Outside of Michigan
But Down From 2006**



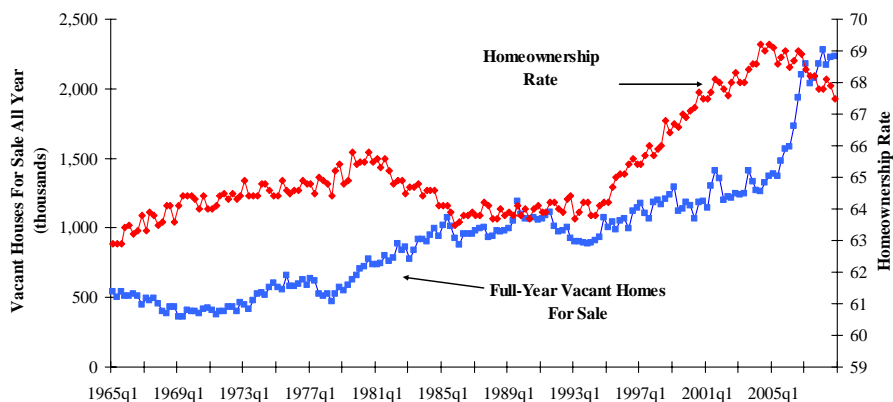
Source: Case Shiller Index and Department of Treasury Calculations

⁴ Source: “Why is the Country Facing a Financial Crisis?”, Julie L. Stackhouse, Federal Reserve Bank of St. Louis.

The impact of higher interest rates began to slow the housing market somewhat throughout 2005 and 2006. With higher interest rates, housing demand began to weaken. The Case-Shiller 20-City Composite Home Price Index peaked in July 2006. The index for Detroit had peaked in December 2005. The Federal Housing Finance Agency, which replaced the Office of Federal Housing Enterprise Oversight, which publishes a quarterly index of home prices, reported price growth slowing in 2006 before peaking in mid-2007. The national measures masked some more significant declines in particular regions. Home prices declined 36.5 percent in Los Angeles and 44.0 percent in Phoenix from 2006 to 2008.

More evidence of reduced housing demand is provided in the chart below comparing home vacancies and home ownership. The percentage of Americans owning their own home peaked in the first quarter of 2005 at 69.1 percent. By the end of 2008, the home ownership rate had fallen to 67.5 percent, a 2.3 percent decline. At the same time, year-round vacancies of homes for sale topped more than 2 million. These vacancies had not been above 1.5 million over the duration of the series, dating back to 1965. As homeownership was falling, the number of homes for sale but sitting empty was growing. The higher inventory of unsold homes further depressed home prices, as willing buyers now had more empty houses from which to choose.

Homeownership and Houses For Sale



Source: U.S. Census Bureau

The drop in home prices led to a sharp increase in foreclosures and a subsequent crisis in the financial markets (discussed more below). At the peak of the housing boom, many lenders began offering mortgages to buyers who put little or no money down. Many homebuyers who purchased their homes close to the market’s peak are now “underwater,” owing more on their mortgages than their homes are worth. In addition, many homeowners who withdrew equity from their homes via home equity loans now also owe more than their homes are worth.

The declines in the housing market hit the economy in four ways. First, the decline in residential construction activity directly reduces economic activity. Second, as home prices fall, consumers feel less wealthy and they scale back on consumption, creating a significant drag on the economy. Third, as banks have to absorb significant losses related to home mortgages, they

become more conservative in their lending practices, reducing credit availability for consumer spending and overall investment. Finally, many home mortgages were packaged and resold via complex financial instruments. As a result, it is difficult to tell who owns much of the bad mortgage debt. This uncertainty has made lenders reluctant to lend to anyone who may have exposure to the bad debt, further constraining the financial markets. The chart below highlights the sharp decline in housing investment in late 2007 and early 2008, followed by declining consumption and other investment spending through the end of 2008.

Housing Slows National Growth Significantly

Contributions To Percent Change In Real GDP

	<u>2007 Q3</u>	<u>2007 Q4</u>	<u>2008 Q1</u>	<u>2008 Q2</u>	<u>2008 Q3</u>	<u>2008 Q4</u>
Consumption	1.4%	0.9%	-0.4%	0.1%	-2.5%	-2.2%
Residential Investment	-1.1%	-1.4%	-1.2%	-0.6%	-0.6%	-0.8%
All Other Investment	1.3%	0.2%	0.0%	-1.1%	-0.5%	-3.1%
Net Exports	1.4%	2.2%	0.4%	2.4%	-0.1%	0.5%
Government	0.8%	0.3%	0.5%	0.7%	1.0%	0.2%
GDP Growth	3.6%	2.1%	-0.7%	1.5%	-2.7%	-5.4%

Source: U.S. Bureau of Economic Analysis and Department of Treasury Calculations

The decline in Michigan's housing market can be seen in numerous statistics. New private housing units authorized in Michigan in 2008 totaled just 10,623 down 81 percent from the 2004 total of 54,721. The drop in some local units was even more profound. In the Detroit metropolitan area, new housing authorizations in 2007 were 89 percent lower than in 2004, falling from 22,990 to just 2,633, while in Ann Arbor there was a drop of more than 90 percent, from 2,708 to just 250.

Data from the National Association of Realtors indicate that the median home price in the Lansing area fell 22.9 percent between 2007 and 2008, and fell 22.0 percent in the Grand Rapids area. Prices in the Detroit metro area fell by 7.5 percent between 2006 and 2007. Data are not available for 2008 for the Detroit metro area. Declining home prices push some homeowners "underwater" on their mortgages, where the balance owed on the mortgage exceeds the market value of the house. Estimates compiled by First American CoreLogic indicate that as of December 2008, 459,000 Michigan borrowers (approximately 40 percent of total mortgages) were underwater on their mortgages. After declining by 20.2 percent in 2007, Michigan's real estate transfer tax revenue fell by 28.5 percent in 2008. Declining collections from the transfer tax reflect both declining sales volumes and lower average sales prices.

Financial Crisis

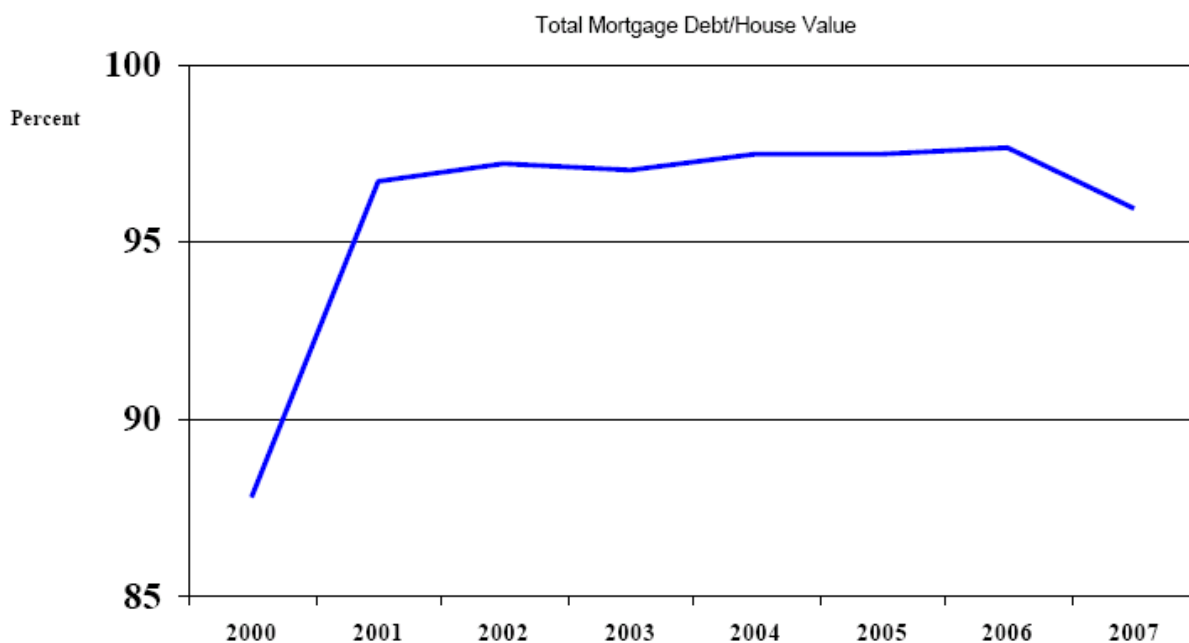
As discussed above, many mortgage loans were bundled and sold. For a long time, many mortgage lenders had made a practice of selling off mortgage loans soon after each loan was closed in order to remain liquid and originate even more loans. Often mortgage loans were combined and used as collateral to borrow additional funds that could be used finance additional mortgages through a process known as securitization. Securitization involves combining a group of mortgages and pledging the payments from the mortgage borrowers as collateral for new borrowing. The new borrowing is comprised of debt securities broadly referred to as collateralized debt obligations, or more specifically in the case of housing loans, mortgage-backed securities. The mortgage-backed securities are similar to bonds, with a set interest rate and maturity date, and established markets for buying and selling the securities. These securities ensure that mortgage lenders have sufficient liquidity to continue making mortgage loans. Over the early years of this decade, there was significant growth in the market for mortgage-backed securities. As the interest rates on short-term bonds declined, mortgage-backed securities became an attractive alternative offering higher returns with the perception of minimal risk.

Mortgage originations reached a record annual rate of \$3.9 trillion during 2003. Most of these new mortgages were traditional prime loans made to borrowers with solid credit. However, the market for new mortgage originations saw a significant shift from 2004 through early 2007. The volume of traditional prime loans declined from the level hit in 2003, while subprime loans (offered to borrowers without good credit histories) and loans with less than full documentation of income and other financial information (referred to as Alternative A or “Alt-A” loans) grew significantly. By 2006, subprime and Alt-A loans had reached approximately one-third of total mortgage originations compared to around 10 percent earlier in the decade. In addition to the expansion of credit to borrowers with higher risk of payment problems, the typical nonprime (high risk) borrower was likely becoming more risky. In 2001, about 45 percent of subprime borrowers had less than 20 percent equity in their houses at the origination of their mortgage. In 2006, 58 percent of subprime borrowers had less than 20 percent equity in their homes at the origination of their mortgage⁵.

A factor in this expansion of credit may have been the growth in loan securitization. The revenue received by many mortgage lenders was through fees charged at the time the mortgage loan was originated. As a result, increased short-term profitability came through making more loans even if those loans subsequently experienced problems. Since the company originating the loan planned to quickly sell the loan, the profit incentive came solely from originating more loans, even if the probability that the loan was sound was low. Ideally, riskier loans should be harder to sell, and securities backed by the payment of those loans should be less desirable investments. All of which should contain the growth of these loans. However, financial markets did not appreciate completely the risk associated with these loans. Data from the Loan Performance Corporation indicate that loans with smaller down payments, incomplete documentation, made using ARMs, and that represented cash-out refinancings (where accumulated home equity is withdrawn) were all historically high during 2004 through 2006.

⁵ Source: “The Mortgage Crisis: Let Markets Work, But Compensate the Truly Needy,” by William R. Emmons, *The Regional Economist*, Federal Reserve Bank of St. Louis, July 2008.

The lower lending standards and increases in cash-out refinancing increased the overall default risk of the nation's mortgage loans. Perhaps the best indicator of this is the ratio of mortgage debt to the value of the underlying house. This ratio captures the amount of down payment on the mortgage as well as equity withdrawals through refinancing. As the chart below shows, the ratio rose from approximately 87 percent in 2000 to nearly 97 percent in 2001 and remained at that level into 2006. A final indication of increased risk in the mortgage market was the increased share of mortgages that were issued with interest rates that were scheduled to adjust at some point in the future. While an ARM may provide flexibility for some homebuyers who expect either an increase in income or to remain in the home only a short time, the higher interest rate in the future poses additional risk for the borrower that monthly payments will also increase. For much of 2004, 2005, and 2006, almost 75 percent of subprime mortgages issued (issued to the riskier borrowers) were ARMs.



Source: Loan Performance Corp. data; chart prepared by Federal Reserve Bank of St. Louis

Mortgages have typically been seen as a relatively safe loan. As long as housing values rise over time, even borrowers who are having trouble repaying the loan could sell the home and use the proceeds to repay the loan. Even a loan that enters foreclosure might not result in a significant loss to the lender if the underlying home can be sold for more than the borrower owed. The belief that rising home prices would insulate lenders from losses also carried over to the market for mortgage-backed securities. Financial intermediaries across the economy (e.g., insurance companies, mutual funds, and investment banks) held mortgage-backed securities as an alternative to more traditional low-risk investments. In and of itself, the expansion of the mortgage market to more risky borrowers does not necessarily represent a problem for the financial markets. This expansion would likely increase the number of borrowers who experienced delinquency and default, but many new borrowers would have access to credit and the potential for home ownership. In a world where home prices seemed to only rise over time, an increase in problem loans could easily be absorbed by new home buyers.

As the Federal Reserve began to raise interest rates, the strong housing market began to weaken. At the same time, some subprime borrowers began to find that they could not make the payments on their mortgages. With the weakening housing market, it was difficult to find a buyer who would offer to buy the house for what was still owed. As a result, the default rate on subprime mortgages began to spike. With more loans going bad, the value of many securities backed by mortgages began to fall. As the value of the securities began to fall, institutions that owned these securities began to see their portfolios decline in value. Insurance companies that had guaranteed the value of debt obligations began to experience losses. For many financial firms, the declining value of their investment portfolio put them on shaky financial ground overall. In addition, it was very difficult to determine which loans backed which securities, so placing an actual value on any debt secured by mortgage loans became difficult.

In early June 2007, Bear Stearns, a large investment bank that invested heavily in mortgage-backed securities, suspended redemptions from a hedge fund that had invested heavily in subprime mortgages⁶. On July 31, 2007, Bear Stearns liquidated two hedge funds that had invested in various types of mortgage-backed securities. This was the first visible sign of the crisis that was brewing in the financial markets, a crisis precipitated to some degree by defaults and foreclosures in the mortgage market.

During the summer of 2007, a few large mortgage companies began to manifest problems due to declining housing markets. Concern over the state of financial markets in the U.S. and around the world prompted the Federal Reserve to reduce the federal funds rate by 1.0 percent during the last four months of 2007. While hindsight indicates that the U.S. economy was headed toward a severe downturn, the initial reaction was moderate under the assumption that the damage from rising foreclosures was contained among a small set of companies. As 2008 progressed, it became clear that the troubles which began in the subprime mortgage market were spreading throughout the financial system. To help protect the economy from a recession, Congress and the President enacted the Economic Stimulus Act of 2008, a tax reduction designed to stave off an economic slowdown. However, the seriousness of the financial distress crystallized in March when Bear Stearns, on the verge of collapse, was acquired by JPMorgan Chase in a deal that the Federal Reserve and U.S. Treasury Department facilitated.

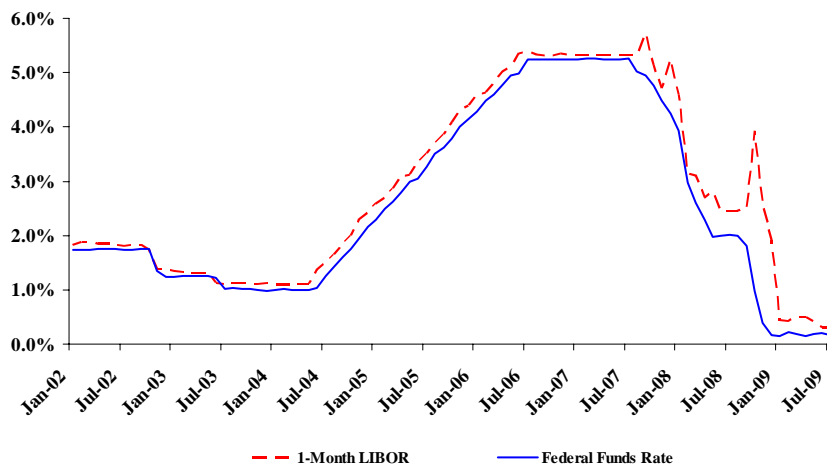
The Federal Reserve continued to respond with aggressive cuts to short-term interest rates, with the federal funds rate approaching 0.0 percent by the end of 2008. Significant additional liquidity was provided by the Federal Reserve through a number of loan programs that allowed financial institutions to borrow by pledging assets, including assets backed by troubled mortgages, as collateral. Additional programs were created to allow the U.S. Treasury Department to purchase some bad loans, and to acquire others through a swap of the debt-backed securities for partial ownership in the company. Since the spread of mortgage-backed debt had become so broad, many companies were now faced with problems. On September 15, Merrill Lynch, another large investment bank, was sold to avoid a potential bankruptcy and Lehman Brothers entered bankruptcy protection. The bankruptcy of Lehman Brothers further

⁶ The timeline presented here is drawn from information published by the *New York Times* and the Federal Reserve Bank of St. Louis.

destabilized financial markets, made the possibility of a global financial collapse seem real, and made clear that an overall economic recession was imminent.

The financial crisis began to take hold as it became clear that the problem of rising loan defaults among mortgages was affecting firms not directly lending in the mortgage market. As the large investment banks encountered problems, a broader fear developed that many firms were in danger of bankruptcy. Fear that more firms would collapse resulted in tightening lending standards. The cost of borrowing funds short-term rose quickly with the London Interbank Offered Rate (LIBOR), the rate charged by banks on short-term loans to other banks, jumping up to near 4 percent in late 2008 while the federal funds rate dropped close to 0 percent. The unwillingness of banks to loan money to each other reflected the lack of confidence in the stability of the financial sector in general. Strong policy interventions gradually reassured the credit markets, resulting in a lower LIBOR rate.

**Federal Funds vs. LIBOR
2002-2009**



To avert financial collapse, Congress and President Bush enacted the Emergency Economic Stabilization Act of 2008, legislation that authorized the Troubled Asset Relief Program (TARP). TARP was initially designed to allow the U.S. Treasury to buy up to \$350 billion in troubled assets from financial firms, mainly mortgage-backed securities that had declined in value. Treasury would pay more than the current market price for these securities, allowing the firms to remove the toxic assets from their balance sheets and result in an increase in financial capital. This additional capital would restore some confidence among investors that the firms would be stable. Once the initial funds were disbursed, an additional \$350 billion could be requested from Congress if necessary. As the program began to be implemented, Secretary of the Treasury Henry Paulson opted to use the first batch of funds to purchase shares of stock in large banks, increasing capital without buying the toxic assets. The first batch of TARP funds was not used to reduce mortgage foreclosures, and many of the banks receiving federal funds appeared to use the funds to shore up their own financial standing rather than to increase lending. In December

2008, a piece of the initial \$350 billion in TARP funds was used to make loans to General Motors and Chrysler aimed at preventing the automakers from entering bankruptcy.

In early January 2009, President Bush asked Congress to release the remaining \$350 billion in funds at the request of President-elect Obama. The new administration implemented a multi-pronged strategy to stabilize the financial system through continued asset purchases, a “bad bank” repository for bad assets held by banks, a public-private initiative to purchase distressed loans held by banks, and the “Making Home Affordable Program” to help homeowners making legitimate efforts to pay their mortgages to remain in their homes. More information on the programs is available at www.financialstability.gov. The efforts of the U.S. Treasury and the Federal Reserve appear to have been successful at stabilizing the financial markets. Credit availability improved throughout the first half of 2009, the rate of price declines for housing slowed, and some large financial institutions repaid the assistance they had received and returned to profitability. Concerns remain about the continuing decline of consumer credit, but financial collapse seems to have been avoided.

As a result of the economic recession and chaos in the financial markets, new automobile sales declined dramatically. Sales for the Detroit 3 declined even faster than the overall market, saddling each company with large losses. General Motors lost \$30.9 billion in 2008, with a negative cash flow of \$19.2 billion. Ford lost \$14.6 billion and burned through an even larger amount, \$21.2 billion. While Chrysler was privately owned and did not announce financial results, it was clear that the performance in 2008 was equally alarming. Concern mounted over how long the companies could survive with low sales rates and negative cash flow. However, the three companies headed down different roads in 2009 with General Motors and Chrysler, with significant federal assistance, entering and emerging from federal bankruptcy protection while Ford used previously-obtained credit lines to avoid bankruptcy. All three companies underwent significant restructuring, through employee concessions, employee reductions via retirement, voluntary separations, layoffs, and plant closings. The bankruptcy proceedings allowed General Motors to eliminate a significant amount of debt in exchange for stock, while Chrysler was absorbed by Fiat Motors. Ford continued to show signs of weathering the storm, gaining market share even as the overall market declined.

Federal Stimulus Package

Recognizing the adverse effect the housing crisis was having on the national economy, Congress passed legislation aimed at stimulating the economy. The Economic Stimulus Act of 2008 was signed into law on February 13, 2008, in response to slowing economic conditions. The Act provided approximately \$152 billion of temporary tax relief to U.S. citizens in 2008, designed to stimulate both consumer and business spending and either avoid or mitigate a potential recession. Most of the stimulus in this legislation was provided through direct payments to households, with most receiving payments of \$600 for individuals and \$1,200 for couples.

Most of the 2008 stimulus was distributed in late spring and early summer, raising disposable income for most consumers. Despite the stimulus payments, consumer spending during the

middle of 2008 was weak, rising 0.1 percent during the second quarter of 2008 and falling 2.5 percent during the third quarter. The overall economy continued to contract.

In response to the shrinking economy, the American Recovery and Reinvestment Act of 2009 was enacted and signed into law on February 17, 2009. The rapid passage of the Act, 28 days after President Obama assumed office, reflected the growing concern over the magnitude of the economic decline. The stimulus bill provided for significant temporary increases in federal spending as well as temporary tax reductions, with an overall stimulus of \$787 billion. Major spending provisions included temporary increases in the federal matching rate for Medicaid; fiscal stabilization funds designed to reduce budget cuts in state and local governments, especially in education; extension of unemployment benefits; and additional funding for transportation infrastructure.

The primary tax provision is the Making Work Pay credit, equal to 6.2 percent of earned income up to a maximum of \$400 for working individuals and \$800 for working families. Other tax provisions for individuals include a temporary increase in the federal earned income tax credit for families with 3 or more children; an increased credit for first-time home buyers; a sales tax deduction for vehicle purchases; a temporary exclusion from the income tax for the first \$2,400 of unemployment benefits; and a temporary reduction in the alternative minimum tax. Most of the business tax reductions, such as extended bonus depreciation, increased investment expensing for small businesses, and allowing certain business losses to be applied to previous tax years, delay the payment of taxes but do not permanently reduce the tax due.

2009 Federal Stimulus

- Spending Provisions
 - Higher Medicaid match
 - State stabilization funds
 - Specific funds for
 - Education
 - Transportation
 - Safety net
 - Energy efficiency
- Tax Provisions
 - Making work pay credit
 - Earned income tax credit
 - 1st time homebuyer credit
 - Sales tax deduction on vehicle purchases
 - \$2,400 exclusion for unemployment benefits
 - Bonus depreciation

Creating Opportunity in a Changing World

Michigan entered 2008 at a key juncture. Many of the high paying manufacturing jobs of the past have been lost and will not be recovered. The state faces a few more years of difficult economic times as the national economy recovers and the domestic auto companies finish their dramatic restructuring. During this prolonged downturn, Michigan has taken and continues to pursue steps to position itself for the future.

Michigan's economic distress necessitates that economic development be a primary focus of government policy. New policies can focus on short-term or long-term solutions, and 2008 saw a balance of new initiatives designed to mitigate job losses in the short-term while positioning Michigan for growth in the longer term. Policies for 2008 fell into two broad categories, economic diversification and education.

Economic Diversification

Michigan's economic past has been in manufacturing, especially vehicle manufacturing. However, it is clear that vehicle manufacturing will play a diminished role if Michigan's future is to be as prosperous as its past. In order to provide the opportunity for Michigan residents to see long-term income growth the Michigan economy must attract or expand into new industries. While 2008 featured several successes, including being named State of the Year by *Business Facilities* magazine, much work remains on Michigan's economic transition.

A primary target for Michigan's economic renaissance is alternative energy. Michigan is uniquely positioned to be a producer of renewable energy, with abundant fresh water and wind resources. Michigan ranks high in potential energy from wind, but does not currently have a significant wind generating capacity, although significant new investment between 2006 and 2008 has raised the capacity to 130 megawatts. This still remains a small fraction of the estimated potential for Michigan. Expanded energy production from renewable sources would be a step toward greater energy independence for Michigan as state, and reduce carbon emissions from energy production and consumption within the region.

Enactment of the renewable energy standard in Public Act 295 of 2008 represented a significant step toward that goal. This legislation will require Michigan electricity providers to obtain at least 10 percent of their energy from renewable sources by 2015. The Act sets forth a specific time frame and path for electricity providers to satisfy the renewable standards and charges the Michigan Public Service Commission to ensure that electricity providers meet the requirements. Since the requirement that a portion of electricity come from renewable sources will raise the cost of generating electricity, this legislation was enacted along with Public Act 287 of 2008. P.A. 287 established income tax credits to partially offset the expected increase in monthly electric bills due to the renewable energy standard and for the purchase of energy efficient home improvements. Thus households will not pay the full cost of the switch to renewable electricity generation initially, and will have new incentives to invest in energy saving devices for their homes.

For Michigan's economic diversification, the renewable energy standard was viewed as an important step in attracting new investment in energy efficiency technology. As utilities seek to broaden their use of renewable energy, they will need the technologies necessary to harness these energy sources, such as wind turbines and solar collectors. The renewable energy standard provides a guarantee to companies investing in renewable energy capacity, and companies manufacturing equipment for use in renewable energy production, that the state is committed to using energy from renewable sources. New investors will seek out states with a demonstrated commitment to renewable energy as a growth industry as potential locations for new investment in manufacturing and energy generation. Some studies project that, with Michigan's strong

position in U.S. manufacturing providing a comparative advantage, Michigan could see strong growth in alternative energy industries now that the renewable energy standard is in place.

Another area related to alternative energy where Michigan could stand to benefit is from advanced battery development and production. Michigan's long history in automobile production points toward a significant role for the state in producing the next generation of vehicles, including the production of advanced batteries, hybrid vehicles, and electric vehicles. Public Act 580 of 2008 was enacted to stimulate activity in this area within Michigan. The Act created several new tax credits for (1) the manufacture of plug-in batteries (designed for use in plug-in hybrid vehicles), (2) engineering expenses to integrate advanced batteries and accelerate deployment of advanced batteries, (3) engineering expenses to develop new advanced battery technology, and (4) capital expenses for the construction of integrative cell manufacturing facility to create at least 30 new jobs. These tax credits will be awarded to companies that enter into agreements with the Michigan Economic Growth Authority. This Act was first part of a sequence of legislation to provide incentives for advanced battery research and production. In the summer of 2009, 12 Michigan projects were awarded \$1.35 billion in federal grants to support advanced battery and electric vehicle manufacturing and development.

The Governor's Centers of Energy Excellence program, working through the Michigan Economic Development Corporation, have facilitated the connection of growing companies involved in advanced battery and alternative fuel development with research universities and state resources to accelerate the commercialization of these new technologies. Six initial companies were selected to receive grants during 2008, with two of the grantees involved in advanced battery development and four involved in research and development of fuels and other energy from biomass and feed stocks.

Legislation was also enacted to protect Michigan's long-term position in high-technology manufacturing. Public Acts 263 through 267 of 2008 provided business tax credits for taxpayers whose business activity includes the manufacturing of polycrystalline silicon for solar cells and semiconductor microchips. Hemlock Semiconductor Corporation is a Michigan-based manufacturer and the world's largest producer of hyper-pure polycrystalline silicon for use in solar cells and semiconductors. The tax credits enacted with this legislation will offset some of the cost of electricity that will be used in an expanded manufacturing facility the company has proposed and were deemed important to ensuring that the expansion occurred in Michigan.

Michigan also enacted legislation designed to attract companies to produce motion pictures in Michigan (Public Acts 75, 77, 79, and 85 of 2008). The primary incentives were through tax credits equal to 42 percent of the production expenditures that occurred in a core community, 40 percent of production expenditures occurring elsewhere, and 30 percent of qualified personnel expenditures. In order to be eligible, the film project is required to obtain certification in advance and upon completion must meet the criteria set forth in the legislation. Once a project is complete and the certification process finished, the taxpayer may claim the credits against the Michigan business tax or the income tax. The credits are refundable, so that they may be claimed by the taxpayer even if they exceed any tax liability. As a result of the credits, significant film activity began to take place in Michigan during the second half of 2008.

Through the end of 2008, the state had received 215 proposals and at least initially approved 71 projects.

Michigan has numerous natural resources and activities that would be attractive to tourists, from the Great Lakes to state parks and golf courses. Public Acts 98 through 102 of 2008 provide for expansion of funding for tourism promotion through revenues obtained through refinancing existing debt obligations related to Michigan's share of the national tobacco settlement. The estimated increase of \$50 million would be transferred from the general fund to the Michigan Strategic Fund and used to fund marketing activities aimed at promoting Michigan to out-of-state residents. Most of the new funding (at least 75 percent) would be used to target people or businesses located outside of Michigan, and up to 25 percent could be used to promote business development. The remaining funding was intended for the purpose of increasing Michigan tourism, primarily among non-residents. The hope is that a successful marketing campaign will draw increased tourism to Michigan, and that the increased tourism will provide an economic boost to Michigan communities.

Quality Education for Every Child

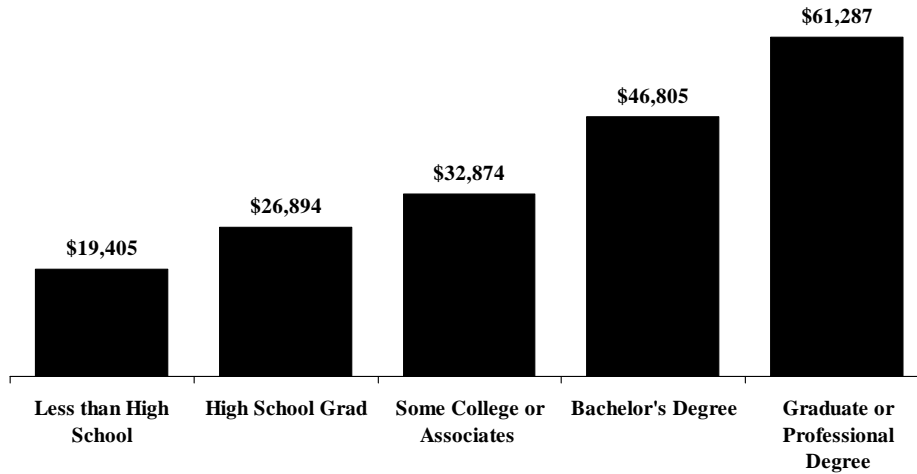
Increasing the education level of Michigan's workers is the key to attracting businesses and raising state living standards. As can be seen in the table below, the average income for workers with advanced education levels significantly exceeds the earnings for workers with less education. On average, high school graduates make more than 38 percent more per year than those with less than a high school education. Workers with some college or an associate's degree earn 22 percent more on average than high school graduates, and workers with a bachelor's degree earn 42 percent more on average than workers who have completed some college, but have not earned a bachelor's degree.

Similarly, states with higher education levels tend to have higher per capita income levels. Of the ten states with the highest percentage of residents with a bachelor's degree, eight are in the top ten in terms of per capita income. Similarly, of the ten states with the lowest level percentage of residents with a bachelor's degree, five are in the bottom ten for per capita income.

Michigan currently ranks 35th highest in terms of the percentage of residents who have earned a bachelor's degree. Clearly, if Michigan is going to thrive economically, the education level of the state's workforce needs to be improved. Recognizing the importance of education to the state's future, Governor Granholm has worked hard on improving all levels of Michigan education.

Inspired by the privately initiated and financed Kalamazoo Promise, Governor Granholm signed into law legislation that would create up to 10 promise zone authorities throughout Michigan. The Kalamazoo Promise is a privately funded scholarship program that guarantees students who graduate from Kalamazoo Public Schools free tuition at any state university or community college in Michigan. The promise zones could be created in cities with a combination of low rates of educational attainment and high rates of poverty and unemployment.

Annual Earnings by Education Level 2007



Source: U.S. Census Bureau, American Community Survey

Educated States Have Higher Income 2007

	% With BA	Education Rank	Per Capita Income	Income Rank
Dist. Columb.	47.5%	1	\$62,484	1
Massachusetts	37.9%	2	\$48,995	4
Maryland	35.2%	3	\$46,471	6
Colorado	35.0%	4	\$41,192	12
Connecticut	34.7%	5	\$54,981	2
New Jersey	33.9%	6	\$49,511	3
Vermont	33.6%	7	\$37,483	22
Virginia	33.6%	7	\$41,727	9
New Hampshire	32.5%	9	\$41,639	10
New York	31.7%	10	\$46,364	7
Michigan	24.7%	35	\$34,423	34
Oklahoma	22.8%	42	\$34,997	31
Indiana	22.1%	43	\$33,215	41
Nevada	21.8%	44	\$39,853	17
Tennessee	21.8%	44	\$33,395	39
Alabama	21.4%	46	\$32,419	43
Louisiana	20.4%	47	\$35,100	30
Kentucky	20.0%	48	\$30,824	46
Arkansas	19.3%	49	\$30,177	48
Mississippi	18.9%	50	\$28,541	51
West Virginia	17.3%	51	\$29,385	50

Source: U.S. Census Bureau and Bureau of Economic Analysis

The zones will allow local communities to capture half the growth in state property tax revenues and use the captured revenues to supplement the local funds dedicated to making a “promise” tuition guarantee. The state levies a 6-mill State Education Tax (SET) on all property in Michigan (except industrial personal property) with revenue from the SET dedicated to the School Aid Fund. The funding provided will not replace private philanthropy. Participating communities will need to show a significant local financial commitment to qualify for the promise zone designation, with each community raising sufficient reserves to fund the first two years of the promise in order to begin capturing incremental tax growth. As the promise zones create higher property values and greater tax revenues in a community, the zones will capture that growth to continue to fund the promise. These zones would work similar to the tax increment financing districts that are routinely used to finance development projects both in Michigan and around the nation.

In addition to promise zones, 2008 featured new educational opportunities for Michigan’s children. Funding was established for the 21st Century Schools Fund, designed to help school districts replace low achieving high schools that result in high dropout rates with small schools that foster more intimate relationships to help at-risk students achieve success.

Growth continued in early college high schools, with four new schools opening during 2008. The schools give students the opportunity, over five years, to complete the final four years of high school as well as either an associates degree or up to 60 college credits. The schools are located on a state university or community college campus.

Despite difficult budgetary times, funding for K-12 education reached an all-time high. The minimum foundation allowance reached \$7,316 for fiscal year 2009, up \$112 from fiscal year 2008. In addition, additional funding was secured for early childhood education to provide access to quality preschool for 2,800 additional four-year olds.

2008 was also the first full year for the Governor’s No Worker Left Behind (NWLB) program, to accelerate training and to help workers transition to good-paying jobs in high-demand and emerging fields. The program will provide up to two years of free tuition at any Michigan community college or approved training program. It allows displaced workers to receive needed training in high demand skills while receiving unemployment benefits. In just over one year the program helped more than 50,000 displaced workers obtain the necessary training to prepare for new careers.

While much has been accomplished, much remains to be done. An educated workforce will be required to take advantage of new and emerging opportunities. However, the current challenges facing the state will test the long-term commitment to providing educational opportunities for Michigan’s children.

2009 Update

The beginning of 2009 continued the economic decline in the United States that had begun in 2008. U.S. GDP decreased at an annual rate of 6.4 percent in the first quarter of 2009. In response to the weakened outlook, the American Recovery and Reinvestment Act (ARRA) was signed into law. ARRA provided for massive infrastructure spending, federal tax relief, expanded unemployment benefits and increased spending for education and health care. ARRA was meant to provide stimulus to help jolt economic activity, provide assistance to cash strapped states, and help individuals who have suffered job losses.

Economic indicators continued to languish in the first part of 2009 but began to improve as the year continued. GDP declined in the second quarter at an annual rate of 0.7 percent, as the rate of economic decline lessened.

Wage and salary employment in the U.S. plummeted by 741,000 jobs in January 2009, and fell by an additional 681,000 jobs in February and by 652,000 jobs in March. In just one quarter, nearly 2.1 million jobs were lost. The second quarter of 2009 saw continued wage and salary job losses of approximately 1.3 million jobs. However, the rate of decline had slowed from the 1st quarter. All told, wage and salary employment declined by nearly 3.4 million jobs in half of a year. From January 2009 to June 2009, the U.S. unemployment rate increased from 7.6 percent to 9.4 percent.

Housing starts were anemic in the first half of 2009. At an average annual rate, new housing starts were under 500,000 units (488,000) in January 2009. The estimate for January 2006 was 2,273,000 units, so January 2009 was almost 80 percent below the value from three years earlier. By June 2009, housing starts totaled 590,000 at an annual average rate, an improvement from earlier in the year but still down more than 45 percent from June 2008.

The light vehicle market continued to suffer from declining sales. With a slumping job market and access to credit limited, sales in the first quarter of 2009 averaged 9.5 million units at an annual rate. The second quarter was not measurably better with sales at 9.6 million units at an annual rate. Restructurings continued at GM and Chrysler with each company declaring bankruptcy and exiting after a short time period. The expedited restructurings were able to happen because of renegotiated contracts with labor and dealers and government financing.

The federal funds rate remained targeted in the 0% to 0.25% range for the first half of 2009. It was announced that the Federal Reserve would purchase \$300 billion in long term Treasuries and buy an additional \$750 billion in agency backed securities. By acting aggressively, the Federal Reserve hoped to restore confidence in the U.S. economy.

In the third quarter of 2009, the downturn began to reverse course. Real GDP increased at an annual rate of 3.5 percent, the first increase since the second quarter of 2008. One of the biggest factors in the upswing was light vehicle sales, primarily due to the Cash for Clunkers program. Cash for Clunkers, officially titled the Car Allowance Rebate System, allowed older vehicles with low gas mileage to qualify for a cash rebate of \$3,500 to \$4,500 toward the purchase of a qualified fuel efficient vehicle. Vehicle sales rose near the end of July and the monthly sales rate

was 11.2 million units per year, the highest since September 2008. With the program in full swing, August light vehicle sales were at an annual average rate of 14.2 million units, the highest since May 2008. With the funding for Cash for Clunkers depleted, September sales dipped sharply to an annual rate of 9.2 million units. For the third quarter, light vehicle sales averaged an annual rate of 11.5 million units.

Wage and salary employment job losses slowed in the third quarter of 2009 for a total loss of 768,000 jobs. While still negative, jobs loss was under 300,000 jobs lost per month by the end of the quarter. The continuing loss of jobs still projects a labor market that is struggling where recovery may be slow and uneven.

Housing starts stabilized near the 0.6 million unit range in third quarter 2009. The outlook for home building is tenuous and is expected to be weak in the months to come. The extension of the tax credit for first-time home buyers and the expansion of the credit to existing homeowners may help to stimulate new housing starts. The credit is now available to home buyers who enter into a purchase agreement by April 30, 2010, and close on the home by June 30, 2010.

The stock market has rebounded from the lows recorded in the beginning of 2009. While the S&P 500 has increased over 50 percent since its March lows, the market is still off its peak. The economic outlook in the U.S. is beginning to brighten from the beginning of the year. However, there is still a great deal of instability in the labor market and the financial system.

Michigan also continued its economic struggles in 2009. Wage and salary employment has declined steadily since the beginning of the year. From December 2008 to September 2009, wage and salary employment declined by 212,000 jobs. Michigan's unemployment rate increased from 11.6 percent in January to 15.3 percent in September.

GM and Chrysler both emerged from bankruptcy proceedings in 2009 relatively quickly and continue to operate. The challenging climate in light vehicle sales continues to strain the state's economy. Motor vehicle production in 2009 has gone from nearly non-existent in the beginning of the year to higher levels by the third quarter of 2009. Michigan vehicle production totaled fewer than 50,000 units in January 2009 as auto manufacturers worked off excess inventories and tried to conserve cash reserves as vehicle sales plummeted. By September 2009, Michigan production increased to approximately 159,000 units as manufacturers began to replenish inventories after the Cash for Clunkers program depleted inventory stocks.

Conclusion

Michigan continued to face trying economic times in 2008 as the financial crisis and rapidly declining auto sales added additional drag on the state's economy. The national recession precipitated by declines in the housing market, combined with the continued struggles of the domestic auto producers, makes it unlikely that Michigan will begin to grow until 2011. However, Michigan made significant progress in 2008 towards positioning the state to thrive in the future. Michigan continues to move toward a 21st Century economy, where an educated work force will lead the state to prosperity once again. Continued investment in education is essential, including such programs as the Michigan Promise, early college high schools, and 21st Century Schools Fund, in order to have a state where every child can obtain a quality education and pursue a prosperous career.

Appendix

Table A-1

U.S. AND MICHIGAN LABOR FORCE AND UNEMPLOYMENT

(Numbers other than unemployment rates are in thousands)

Year	United States				Michigan			
	Civilian Labor Force	Number Employed	Number Unemployed	Unemployment Rate (%)	Civilian Labor Force	Number Employed	Number Unemployed	Unemployment Rate (%)
1977	99,009	92,017	6,991	7.1	4,107	3,769	338	8.2
1978	102,251	96,048	6,202	6.1	4,234	3,935	299	7.1
1979	104,962	98,824	6,137	5.8	4,335	3,993	342	7.9
1980	106,940	99,303	7,637	7.1	4,325	3,801	524	12.1
1981	108,670	100,397	8,273	7.6	4,296	3,758	538	12.5
1982	110,204	99,526	10,678	9.7	4,258	3,595	662	15.6
1983	111,550	100,834	10,717	9.6	4,258	3,636	622	14.6
1984	113,544	105,005	8,539	7.5	4,315	3,825	490	11.4
1985	115,461	107,150	8,312	7.2	4,363	3,924	439	10.1
1986	117,834	109,597	8,237	7.0	4,411	4,020	390	8.9
1987	119,865	112,440	7,425	6.2	4,505	4,130	375	8.3
1988	121,669	114,968	6,701	5.5	4,560	4,213	346	7.6
1989	123,869	117,342	6,528	5.3	4,625	4,292	332	7.2
1990	125,840	118,793	7,047	5.6	4,620	4,262	358	7.7
1991	126,346	117,718	8,628	6.8	4,589	4,162	427	9.3
1992	128,105	118,492	9,613	7.5	4,662	4,235	427	9.2
1993	129,200	120,259	8,940	6.9	4,712	4,365	347	7.4
1994	131,056	123,060	7,996	6.1	4,804	4,509	296	6.2
1995	132,304	124,900	7,404	5.6	4,835	4,577	258	5.3
1996	133,943	126,708	7,236	5.4	4,888	4,647	241	4.9
1997	136,297	129,558	6,739	4.9	4,963	4,749	214	4.3
1998	137,673	131,463	6,210	4.5	5,008	4,810	198	4.0
1999	139,368	133,488	5,880	4.2	5,089	4,897	192	3.8
2000	142,583	136,891	5,692	4.0	5,144	4,953	190	3.7
2001	143,734	136,933	6,801	4.7	5,144	4,876	268	5.2
2002	144,863	136,485	8,378	5.8	5,040	4,725	315	6.2
2003	146,510	137,736	8,774	6.0	5,033	4,676	358	7.1
2004	147,401	139,252	8,149	5.5	5,043	4,687	356	7.1
2005	149,320	141,730	7,591	5.1	5,065	4,718	347	6.8
2006	151,428	144,427	7,001	4.6	5,068	4,719	350	6.9
2007	153,124	146,047	7,078	4.6	5,024	4,667	357	7.1
2008	154,287	145,362	8,924	5.8	4,936	4,519	416	8.4

Source: Bureau of Labor Statistics, U.S. Dept. of Labor

Table A-2
MICHIGAN MANUFACTURING AND DURABLE GOODS EMPLOYMENT
(Numbers in Thousands)

Year	Durable Goods Manufacturing								
	Total Manufacturing	Total Durable Goods	Primary Metal	Fabricated Metal Products	Transportation Equipment	Nonmetallic Mineral Products	Machinery	Furniture & Related Products	Other Durable Goods*
1990	840.3	666.2	37.9	86.1	315.6	16.0	95.7	39.6	75.3
1991	795.2	624.3	34.9	80.3	295.2	15.2	88.6	36.2	73.9
1992	798.5	625.5	33.5	79.2	303.4	15.2	87.1	35.0	72.1
1993	807.8	631.2	33.1	81.5	299.5	16.0	89.6	36.2	75.3
1994	850.4	668.5	34.3	87.4	316.0	16.8	96.1	38.8	79.1
1995	874.9	689.0	35.3	91.8	322.8	16.7	103.7	38.7	80.0
1996	867.9	681.9	33.6	91.9	317.7	17.2	103.9	37.3	80.3
1997	875.3	690.8	33.7	93.6	322.6	18.0	104.3	37.9	80.7
1998	891.7	706.3	34.3	95.5	332.3	19.2	104.7	38.4	81.9
1999	899.9	715.7	35.4	97.1	341.5	19.7	103.5	38.8	79.7
2000	898.4	718.1	34.5	97.5	346.1	20.1	102.3	38.7	78.9
2001	823.1	656.5	31.4	89.0	317.0	18.5	89.6	36.9	74.1
2002	763.5	605.6	28.3	84.5	296.9	17.6	79.7	31.0	67.6
2003	719.7	567.8	27.5	82.9	274.0	16.5	76.5	26.6	63.8
2004	700.7	551.4	27.6	83.4	259.3	15.8	75.7	25.9	63.7
2005	680.0	530.8	26.9	84.3	241.2	15.5	75.3	25.4	62.2
2006	650.8	504.7	26.0	83.1	221.4	14.9	73.7	25.4	60.2
2007	620.1	476.7	24.8	80.4	202.5	14.0	70.1	25.1	59.8
2008	575.3	436.5	23.4	76.9	172.1	13.1	67.9	24.0	59.1

Source: Bureau of Labor and Statistics, U.S. Dept. of Labor

*Note: Other Durable Goods contains total employment for durable goods industries not specifically presented in the table.
It includes employment in wood products, computer and electronic products, and miscellaneous durable goods.

Table A-3

MICHIGAN MANUFACTURING AND NONDURABLE GOODS EMPLOYMENT

(Numbers in Thousands)

Year	Total Manufacturing	Total Nondurable Goods Manufacturing	Nondurable Goods Manufacturing				
			Food	Printing & Related Support Activities	Chemical	Plastics & Rubber Products	Other Nondurable Goods*
1990	840.3	174.1	43.2	25.7	35.1	36.6	33.5
1991	795.2	170.9	43.8	25.1	35.0	35.0	32.0
1992	798.5	172.9	43.6	25.0	34.8	36.9	32.6
1993	807.8	176.7	43.9	24.7	36.1	39.1	32.9
1994	850.4	181.9	43.1	25.1	36.4	43.3	34.0
1995	874.9	185.9	43.3	25.1	36.5	46.3	34.7
1996	867.9	186.0	43.0	24.8	36.4	47.9	33.9
1997	875.3	184.5	40.0	24.2	36.9	49.0	34.4
1998	891.7	185.4	38.7	23.8	37.6	51.4	33.9
1999	899.9	184.2	36.0	23.1	38.3	53.4	33.4
2000	898.4	180.3	35.2	23.2	36.7	53.4	31.8
2001	823.1	166.6	35.3	21.9	34.6	45.8	29.0
2002	763.5	157.9	33.9	20.2	33.8	43.7	26.3
2003	719.7	151.9	32.4	19.2	32.4	43.3	24.6
2004	700.7	149.3	32.8	18.3	30.6	43.0	24.6
2005	680.0	149.2	32.7	17.9	30.0	42.7	25.9
2006	650.8	146.2	33.1	17.6	28.9	41.4	25.2
2007	620.1	143.4	33.7	17.5	28.1	39.5	24.6
2008	575.3	138.8	34.3	16.7	27.7	37.0	23.1

Source: Bureau of Labor Statistics, U.S. Dept. of Labor

*Note: Other Nondurable Goods is the difference of Total Nondurable Goods Manufacturing and the industry data published by the Bureau of Labor Statistics. It includes food, textile, apparel, beverage and tobacco, leather and allied products, petroleum and coal products, and paper.

Table A-4
MICHIGAN NONMANUFACTURING AND PRIVATE SERVICE-PRODUCING EMPLOYMENT
 (Numbers in thousands)

<u>Year</u>	<u>Private Service-Producing</u>	<u>Education & Health Services</u>	<u>Professional & Business Services</u>	<u>Financial Activities</u>	<u>Information</u>	<u>Transportation & Utilities</u>	<u>Retail Trade</u>	<u>Wholesale Trade</u>	<u>Leisure & Hospitality</u>	<u>Other Services</u>
1990	2,321.0	411.7	395.7	192.8	70.8	117.3	502.8	155.0	330.8	143.9
1991	2,315.6	422.8	403.2	189.9	69.2	115.7	489.6	152.6	328.9	143.7
1992	2,345.3	434.6	422.9	188.5	67.9	116.3	486.0	151.6	330.9	146.6
1993	2,410.0	446.3	447.2	190.8	67.8	119.6	493.6	153.9	339.9	151.1
1994	2,499.5	455.2	483.5	193.9	67.0	127.0	508.9	157.7	348.2	158.1
1995	2,589.7	470.2	515.9	196.2	67.9	128.0	523.8	160.8	364.0	162.9
1996	2,663.0	485.6	539.3	201.1	70.2	127.6	534.4	164.8	371.4	168.6
1997	2,726.4	489.3	567.8	204.5	71.8	129.6	540.1	173.4	378.4	171.5
1998	2,769.1	484.8	597.0	207.7	74.1	131.2	542.5	179.8	379.0	173.0
1999	2,811.2	491.7	612.9	206.9	73.9	134.1	550.6	183.6	383.5	174.0
2000	2,878.0	502.1	635.3	209.4	76.7	135.4	559.8	186.0	398.2	175.3
2001	2,840.7	517.8	604.1	210.4	76.0	132.0	548.8	180.4	394.3	176.9
2002	2,829.2	535.1	593.9	214.9	73.8	128.2	530.7	175.4	397.9	179.3
2003	2,812.6	546.9	582.9	218.3	70.3	125.8	518.7	172.6	398.1	179.1
2004	2,819.5	560.9	581.2	217.4	68.6	125.7	513.6	170.5	402.0	179.6
2005	2,838.7	575.8	588.5	217.9	67.3	128.3	506.0	170.7	404.5	179.6
2006	2,824.9	583.3	581.6	215.8	66.1	128.4	496.0	170.6	405.6	177.5
2007	2,818.7	596.7	576.4	211.6	64.9	128.3	489.7	169.0	405.6	176.6
2008	2,774.6	608.3	557.0	204.4	61.8	124.2	478.4	166.7	398.1	175.6

Source: Bureau of Labor Statistics

Table A-5
MICHIGAN PAYROLL EMPLOYMENT BY MAJOR CATEGORY
(Numbers in thousands)

<u>Year</u>	<u>Total Employment</u>	<u>Construction</u>	<u>Mining & Logging</u>	<u>Manufacturing</u>	<u>Government</u>	<u>Private Service Producing</u>
1990	3,946.5	143.1	11.5	840.3	630.6	2,320.8
1991	3,884.3	130.0	11.1	795.2	632.5	2,315.6
1992	3,918.8	128.5	10.8	798.5	635.8	2,345.3
1993	3,998.9	132.5	10.8	807.8	637.7	2,410.2
1994	4,141.5	142.0	10.8	850.4	638.8	2,499.5
1995	4,268.8	152.9	10.7	874.9	640.7	2,589.6
1996	4,352.8	168.5	9.7	867.9	643.6	2,663.1
1997	4,439.1	180.3	9.9	875.3	647.2	2,726.4
1998	4,514.0	187.4	10.0	891.7	655.8	2,769.1
1999	4,585.2	197.0	9.6	899.9	667.4	2,811.2
2000	4,676.9	209.6	9.5	898.4	681.4	2,878.2
2001	4,564.2	206.1	9.3	823.1	685.0	2,840.7
2002	4,487.5	199.6	8.6	763.5	686.6	2,829.2
2003	4,416.5	190.6	8.1	719.7	685.4	2,812.6
2004	4,399.5	191.5	8.2	700.7	679.7	2,819.5
2005	4,390.3	189.1	8.4	680.0	674.1	2,838.7
2006	4,327.1	178.0	8.0	650.8	665.3	2,824.9
2007	4,268.4	166.3	7.7	620.1	655.7	2,818.8
2008	4,159.2	153.7	7.8	575.3	647.9	2,774.6

*Private Service Producing includes: Information, Financial Activities, Professional and Business Services, Education and Health Services, Leisure and Hospitality, Trade Transportation and Utilities, and Other Services.

Source: Bureau of Labor Statistics

Table A-6
PUBLIC SECTOR EMPLOYMENT IN MICHIGAN
 (Numbers in Thousands)

<u>Year</u>	<u>Total Government Employment</u>	<u>Federal Government</u>	<u>State Government (1)</u>	<u>Local Government</u>
1990	630.6	61.2	166.2	403.2
1991	632.5	58.3	165.7	408.5
1992	635.8	58.2	163.4	414.2
1993	637.7	56.9	163.8	417.1
1994	638.8	57.0	163.9	417.9
1995	640.7	57.2	165.4	418.1
1996	643.6	56.5	167.6	419.5
1997	647.2	56.2	165.3	425.7
1998	655.8	56.6	167.4	431.9
1999	667.4	57.3	169.0	441.1
2000	681.4	60.4	169.9	451.1
2001	685.0	56.2	173.9	454.8
2002	686.6	55.8	174.1	456.8
2003	685.4	56.1	169.8	459.5
2004	679.7	55.5	169.6	454.6
2005	674.1	54.7	168.4	451.0
2006	665.3	54.1	170.6	440.6
2007	655.7	53.7	169.5	432.5
2008	647.9	53.4	171.1	423.4

(1) In addition to classified civil service employees, state government employment includes employees of state-supported colleges and universities, the legislature and the courts.

Source: Bureau of Labor Statistics

Table A-7
STATE OF MICHIGAN CLASSIFIED EMPLOYEES
BY DEPARTMENT PER FISCAL YEAR

<u>Department</u>	<u>97-98</u>	<u>98-99</u>	<u>99-00</u>	<u>00-01</u>	<u>01-02</u>	<u>02-03</u>	<u>03-04</u>	<u>04-05</u>	<u>05-06</u>	<u>06-07</u>	<u>07-08</u>
Agriculture	631	632	657	697	702	635	687	641	575	535	521
Attorney General	547	549	559	558	538	474	489	524	528	517	496
Auditor General	163	169	174	179	176	157	150	143	142	138	138
Biologic Products Institute	77	--	--	--	--	--	--	--	--	--	--
Career Development	--	--	--	1,088	1,079	911	901	34	--	--	--
Civil Rights	159	163	160	166	164	135	133	131	127	119	117
Civil Service Commission	205	207	206	206	200	176	189	210	210	206	538
Community Health	5,758	5,810	5,914	5,838	5,370	4,465	4,577	4,424	4,241	4,225	3,964
Consumer and Industry Services	4,049	3,909	3,843	3,823	3,735	3,186	3,170	209	--	--	--
Corrections	16,714	17,063	17,652	18,296	17,821	17,222	16,781	16,543	16,446	16,357	15,944
Education	436	442	403	396	393	298	324	352	367	369	380
Environmental Quality	1,479	1,545	1,605	1,617	1,567	1,370	1,444	1,419	1,430	1,423	1,354
Executive Office	65	63	65	67	58	51	49	45	44	44	46
History Arts and Libraries	--	--	--	--	295	287	273	203	200	196	191
Human Services	12,443	12,836	13,254	13,139	12,554	10,303	10,104	9,953	9,778	9,759	9,582
Information Technology	--	--	--	--	--	1,730	1,721	1,675	1,690	1,712	1,670
Labor & Economic Growth	--	--	--	--	--	--	55	3,751	4,128	3,967	3,781
Lottery	179	--	--	--	--	--	--	--	--	--	--
Management and Budget	1,495	1,719	1,936	1,931	1,851	1,306	1,277	967	967	971	938
MI Jobs Commission	1,101	1,149	1,055	--	--	--	--	--	--	--	--
Military and Veterans Affairs	900	949	987	970	962	919	943	928	924	934	921
Natural Resources	2,445	2,510	2,506	2,509	2,446	2,265	2,328	1,669	1,657	1,628	1,564
State	2,174	2,231	2,257	2,267	2,095	1,836	1,852	1,705	1,672	1,622	1,535
State Police	3,014	3,159	3,190	3,240	3,164	2,800	2,661	2,704	2,690	2,657	2,586
Strategic Fund	--	--	--	--	--	--	--	--	--	174	177
Transportation	2,960	3,196	3,244	3,253	3,185	2,826	2,956	2,849	2,880	2,895	2,854
Transportation Bridge Authority	150	--	--	--	--	--	--	--	--	--	--
Treasury	<u>1,531</u>	<u>1,765</u>	<u>1,826</u>	<u>1,817</u>	<u>1,793</u>	<u>1,514</u>	<u>1,512</u>	<u>1,535</u>	<u>1,564</u>	<u>1,565</u>	<u>1,502</u>
Total	58,675	60,066	61,493	62,057	60,147	54,866	54,573	52,614	52,259	52,013	50,799

Source: Michigan Department of Civil Service, Twenty-Ninth Annual Workforce Report

Note: Starting in FY 2004-05, this report reflects classified employees who are full-time, part-time, permanent intermittent, limited term, seasonal and non career in primary positions only, except for the following non-career appointments: Student Assistant-E, Construction Aide (Trans)-E, and State Worker. These positions represented 95% of all non-career appointments at the end of FY 2007-08. The count of employees who job share are divided in half.

Table A-8

MICHIGAN MSA AND COUNTY EMPLOYMENT AND UNEMPLOYMENT RATES

Area	1990		2000		2008	
	Number Employed	Unemployment Rate (%)	Number Employed	Unemployment Rate (%)	Number Employed	Unemployment Rate (%)
Michigan	4,262,409	7.7	4,953,421	3.7	4,519,476	8.4
<u>MSA</u>						
Ann Arbor	151,177	4.8	180,898	2.3	174,230	5.9
Battle Creek	60,241	7.3	67,459	4.1	63,748	7.7
Bay City	49,532	8.0	54,525	4.0	50,448	7.9
Detroit/Warren/Livonia	1,944,008	8.1	2,200,338	3.7	1,922,195	8.8
Flint	181,283	9.5	205,505	4.4	181,551	10.6
Grand Rapids-Wyoming	318,654	6.2	389,541	3.2	375,414	7.2
Holland-Grand Haven	99,352	5.3	132,456	2.6	125,023	7.0
Jackson	66,391	7.1	76,396	3.4	69,847	8.7
Kalamazoo/Portage	144,810	6.0	166,938	3.2	161,850	6.9
Lansing/East Lansing	219,693	6.1	240,498	2.9	233,073	6.8
Monroe	62,583	7.6	74,756	3.2	69,471	8.9
Muskegon/Norton Shores	67,264	8.4	82,089	4.1	81,193	8.8
Niles/Benton Harbor	75,691	7.0	79,424	3.8	73,646	8.1
Saginaw/Saginaw Township	90,004	7.7	96,132	4.1	86,543	8.6
<u>County</u>						
Alcona	3,419	13.1	4,164	6.8	3,816	11.8
Alger	3,462	9.2	4,139	5.4	3,872	9.9
Allegan	43,176	6.1	56,168	2.8	51,117	7.7
Alpena	12,864	10.2	14,676	5.5	13,454	9.3
Antrim	7,991	10.1	11,070	4.6	10,676	9.7
Arenac	5,621	9.0	7,210	5.8	7,152	10.8
Baraga	2,998	10.5	3,852	6.5	3,706	14.1
Barry	23,636	6.2	29,433	3.3	28,203	6.6
Bay	49,532	8.0	54,525	4.0	50,448	7.9
Benzie	5,361	11.7	8,011	4.5	8,127	9.2
Berrien	75,691	7.0	79,424	3.8	73,646	8.1
Branch	18,311	7.3	22,527	3.8	20,165	8.7
Calhoun	60,241	7.3	67,459	4.1	63,748	7.7
Cass	22,942	7.3	26,234	3.2	25,056	6.9
Charlevoix	10,349	8.4	13,198	4.5	12,554	10.2

Table A-8 (Continued)

Area	1990		2000		2008	
	Number Employed	Unemployment Rate (%)	Number Employed	Unemployment Rate (%)	Number Employed	Unemployment Rate (%)
Cheboygan	9,258	12.0	11,894	8.1	10,778	11.7
Chippewa	12,990	11.3	16,347	6.3	15,811	9.8
Clare	8,285	10.7	12,323	5.4	11,549	11.9
Clinton	29,431	6.4	34,638	2.6	35,399	6.1
Crawford	5,015	6.7	6,394	4.6	5,829	9.7
Delta	15,396	9.3	18,762	5.3	18,171	8.6
Dickinson	11,555	7.5	13,421	4.1	13,330	7.1
Eaton	48,390	5.9	56,180	2.8	55,268	6.4
Emmet	12,823	9.4	17,065	5.5	17,960	10.2
Genesee	181,283	9.5	205,505	4.4	181,551	10.6
Gladwin	7,321	9.7	10,383	5.3	9,457	11.1
Gogebic	6,682	8.2	7,240	6.3	6,908	8.9
Grand Traverse	33,601	6.8	43,997	3.4	45,011	7.6
Gratiot	16,861	8.9	18,647	4.5	17,698	9.5
Hillsdale	19,290	8.6	23,279	3.7	18,920	10.6
Houghton	13,520	7.4	16,283	4.9	15,904	8.1
Huron	14,300	10.3	16,799	4.6	14,807	9.3
Ingham	141,872	6.2	149,680	2.9	142,406	7.2
Ionia	24,386	9.9	28,916	3.6	27,674	8.6
Iosco	10,227	8.5	10,859	6.5	9,696	11.1
Iron	4,827	8.9	5,331	5.8	5,378	8.6
Isabella	24,369	6.1	33,638	3.3	36,524	6.0
Jackson	66,391	7.1	76,396	3.4	69,847	8.7
Kalamazoo	113,945	5.2	128,897	3.0	125,152	6.4
Kalkaska	5,541	9.8	8,150	4.6	7,864	9.0
Kent	255,007	5.6	309,205	3.1	298,792	6.9
Keweenaw	516	14.9	985	6.2	915	11.5
Lake	2,406	12.0	4,205	5.7	3,475	11.8
Lapeer	33,645	10.4	43,939	4.3	39,173	10.1
Leelanau	8,229	6.3	10,975	3.0	10,551	6.2
Lenawee	40,571	7.5	49,769	3.7	43,807	10.2
Livingston	58,172	5.8	87,314	2.6	86,365	6.7
Luce	2,200	9.2	2,587	6.0	2,476	9.7

Table A-8 (Continued)

Area	1990		2000		2008	
	Number Employed	Unemployment Rate (%)	Number Employed	Unemployment Rate (%)	Number Employed	Unemployment Rate (%)
Mackinac	5,343	14.3	6,363	7.5	5,591	12.1
Macomb	362,128	7.9	418,171	3.6	376,026	8.8
Manistee	8,398	10.7	11,200	5.3	10,679	9.1
Marquette	29,552	8.0	32,681	4.3	33,411	7.1
Mason	11,185	8.3	14,018	4.8	13,581	8.7
Mecosta	15,146	8.0	18,111	4.3	18,065	8.9
Menominee	11,213	6.8	12,719	4.1	12,305	6.5
Midland	35,709	5.5	41,163	3.2	40,491	6.3
Missaukee	4,820	10.5	6,686	4.4	5,769	10.7
Monroe	62,583	7.6	74,756	3.2	69,471	8.9
Montcalm	20,364	14.4	28,188	4.1	23,413	11.8
Montmorency	2,753	15.1	3,757	8.1	3,471	14.4
Muskegon	67,264	8.4	82,089	4.1	81,193	8.8
Newaygo	15,626	9.6	21,988	4.6	20,746	9.2
Oakland	567,932	6.1	656,461	2.9	566,231	7.1
Oceana	10,065	10.9	12,443	5.9	12,630	10.8
Ogemaw	6,509	9.9	9,082	5.4	8,664	9.6
Ontonagon	3,667	5.5	3,417	6.4	3,006	9.5
Osceola	7,805	11.3	10,666	4.5	8,566	9.8
Oscoda	2,688	8.2	3,657	6.1	3,441	13.2
Otsego	8,787	6.2	11,838	4.1	10,756	10.5
Ottawa	99,352	5.3	132,456	2.6	125,023	7.0
Presque Isle	5,352	11.7	5,962	8.3	5,149	14.2
Roscommon	6,505	9.1	9,811	5.5	9,125	11.4
Saginaw	90,004	7.7	96,132	4.1	86,543	8.6
St. Clair	65,557	9.6	83,383	4.2	73,694	10.4
St. Joseph	27,161	8.6	31,474	3.4	28,446	8.9
Sanilac	16,978	10.8	20,924	4.6	18,842	11.5
Schoolcraft	3,199	16.2	3,607	8.1	3,462	11.7
Shiawassee	31,761	9.7	35,948	3.9	32,014	10.1
Tuscola	23,592	9.7	27,415	4.6	24,974	10.5
Van Buren	30,865	8.7	38,041	4.0	36,699	8.4
Washtenaw	151,177	4.8	180,898	2.3	174,230	5.9
Wayne	856,576	9.4	911,069	4.3	780,704	9.9
Wexford	10,901	12.3	14,756	5.3	12,881	11.3

Source: Bureau of Labor Statistics

Table A-9

**MICHIGAN LABOR FORCE STATISTICS
BY AGE, RACE AND SEX - 1999 AND 2008**

Category	Unemployment Rate (%)			Labor Force Participation Rate (%)			Level of Employment (000s)		
	1999	2008	Change	1999	2008	Change	1999	2008	Change
<u>Age</u>									
16 - 24 years	9.1	16.4	7.3 pts	71.9	59.5	-12.4 pts	867	620	-247
25 - 44 years	2.9	7.8	4.8	85.0	82.3	-2.7	2,445	1,983	-462
45 - 64 years	2.0	6.0	4.1	72.9	71.1	-1.8	1,500	1,765	265
Over 65 years	2.3	4.1	1.8	12.0	13.9	1.9	129	176	47
<u>Race</u>									
White	3.4	7.5	4.2	68.9	64.1	-4.8	4,235	3,803	-432
Black	6.7	13.5	6.8	65.7	56.3	-9.4	583	503	-80
Other	3.8	8.9	5.0	71.4	70.2	-1.2	124	236	112
<u>Sex</u>									
Male	3.7	9.1	5.5	76.3	69.3	-7.0	2,690	2,383	-307
Female	3.9	7.4	3.5	61.2	57.8	-3.4	2,252	2,159	-93
All Groups	3.8	8.3	4.5	68.5	63.3	-5.2	4,942	4,542	-400

Source: Bureau of Labor Statistics, U.S. Department of Labor.

Table A-10
U.S. AND MICHIGAN EMPLOYMENT, EMPLOYMENT SHARES,
AND LOCATION QUOTIENT FOR 2007

<u>Industry</u>	<u>U.S.</u> <u>Employment</u>	<u>%</u>	<u>Michigan</u> <u>Employment</u>	<u>%</u>	<u>Location</u> <u>Quotient</u>
Agriculture, forestry, fishing and hunting	1,169,195	1.03%	25,545	0.74%	0.71
Mining	713,313	0.63%	6,386	0.18%	0.29
Utilities	558,015	0.49%	20,165	0.58%	1.18
Construction	7,125,029	6.29%	149,368	4.31%	0.69
Manufacturing	13,383,162	11.82%	575,802	16.62%	1.41
Transportation equipment	1,607,881	1.42%	172,851	4.99%	3.51
Motor vehicle manufacturing	195,622	0.17%	48,821	1.41%	8.16
Motor vehicle parts manufacturing	541,124	0.48%	145,983	4.21%	8.82
Wholesale trade	5,954,232	5.26%	164,848	4.76%	0.90
Retail trade	15,306,516	13.52%	474,672	13.70%	1.01
Transportation and warehousing	4,270,836	3.77%	100,156	2.89%	0.77
Information	2,988,732	2.64%	68,045	1.96%	0.74
Finance and insurance	5,856,864	5.17%	156,260	4.51%	0.87
Real estate and rental and leasing	2,110,171	1.86%	56,053	1.62%	0.87
Professional and technical services	7,814,285	6.90%	244,555	7.06%	1.02
Management of companies and enterprises	1,895,570	1.67%	68,003	1.96%	1.17
Administrative and waste services	7,996,575	7.06%	271,672	7.84%	1.11
Educational services	2,367,685	2.09%	55,970	1.62%	0.77
Health care and social assistance	15,586,001	13.77%	480,691	13.88%	1.01
Arts, entertainment, & recreation	1,978,217	1.75%	61,166	1.77%	1.01
Accommodation & food services	11,416,594	10.09%	338,828	9.78%	0.97
Other services, except public administration	4,483,967	3.96%	132,432	3.82%	0.97
Unclassified	217,514	0.19%	12,980	0.37%	1.95
Total All Industries	113,192,473	100.00%	3,463,597	100.00%	1.00

Source: Quarterly Census of Employment and Wages, U.S. Department of Labor

Table A-11
NEW INCORPORATIONS IN MICHIGAN

Year	Profit	Nonprofit	Foreign (Out-of-State)	Total
1970	8,378	1,782	1,054	11,214
1971	8,270	1,993	1,082	11,345
1972	9,202	2,134	1,175	12,511
1973	9,709	1,878	1,093	12,680
1974	9,342	2,106	1,009	12,457
1975	9,996	2,138	926	13,060
1976	11,545	2,080	972	14,597
1977	13,273	2,082	956	16,311
1978	14,538	2,148	1,039	17,725
1979	18,654	2,217	1,062	21,933
1980	16,931	2,503	1,077	20,511
1981	17,139	2,288	1,277	20,704
1982	17,201	2,294	1,300	20,795
1983	18,463	2,613	1,540	22,616
1984	19,474	2,574	1,625	23,673
1985	21,864	2,490	1,719	26,073
1986	22,914	2,559	1,864	27,337
1987	23,869	2,467	1,998	28,334
1988	22,633	2,695	1,937	27,265
1989	22,248	2,881	1,828	26,957
1990	21,985	2,871	1,714	26,570
1991	21,840	2,863	1,626	26,329
1992	23,380	3,111	1,778	28,269
1993	24,488	3,102	1,881	29,471
1994	25,046	3,249	2,182	30,477
1995	25,752	3,241	2,351	31,344
1996	26,263	3,357	2,407	32,027
1997	25,560	3,400	2,653	31,613
1998	22,768	3,532	2,680	28,980
1999	22,359	3,439	2,703	28,501
2000	22,899	3,869	2,727	29,495
2001	21,323	3,730	2,408	27,461
2002	20,964	4,018	2,237	27,219
2003	20,780	4,023	2,216	27,019
2004	20,572	4,445	2,353	27,370
2005	20,178	4,742	2,298	27,218
2006	18,362	4,565	2,317	25,244
2007	17,003	4,302	2,324	23,629
2008	15,030	4,446	2,080	21,556

Source: Michigan Department of Energy, Labor and Economic Growth,
Bureau of Commercial Services.

Table A-12
U.S. AND MICHIGAN MANUFACTURING INDUSTRIES
AVERAGE WEEKLY AND HOURLY EARNINGS

Year	Michigan			United States		
	Average Weekly Earnings	Average Hourly Earnings	Real Weekly Earnings (2008 \$)	Average Weekly Earnings	Average Hourly Earnings	Real Weekly Earnings (2008 \$)
2001	\$814.96	\$19.45	\$956.77	\$595.19	\$14.76	\$723.58
2002	875.78	20.51	1,002.32	618.75	15.29	740.52
2003	892.52	21.20	1,001.32	635.99	15.74	744.19
2004	912.02	21.51	1,007.20	658.49	16.14	750.53
2005	896.55	21.50	962.09	673.30	16.56	742.26
2006	921.65	21.84	959.85	691.02	16.81	737.99
2007	937.55	22.06	959.19	711.56	17.26	738.88
2008	933.04	22.11	933.04	724.23	17.74	724.23

Source: Bureau of Labor Statistics, U.S. Dept. of Labor

Note: Real Weekly Earnings calculated using U.S. CPI-U and Detroit CPI for Michigan.

Table A-13
MICHIGAN PERSONAL INCOME, BY MAJOR SOURCE

(Amounts in millions of dollars)

Source	1970	1980	1990	1995	2000	2005	2008
Total Wage and Salary Disbursements	\$25,165	\$57,681	\$102,151	\$132,149	\$174,173	\$182,521	\$186,197
Supplements to wages and salaries	3,508	13,189	22,286	32,252	34,624	43,392	43,106
Proprietors' Income	2,703	4,801	9,355	12,636	19,851	28,139	27,522
Farm	245	342	392	238	-14	512	1,034
Nonfarm	2,458	4,459	8,963	12,397	19,865	27,627	26,488
Total Earnings by Place of Work	31,376	75,672	133,792	177,036	228,648	254,052	256,824
Less: Contributions for Social Insurance	2,193	7,181	16,100	21,663	27,085	29,404	30,627
Plus: Adjustment for Residence	112	354	459	751	1,048	1,354	1,562
Equals: Net Earnings by Place of Residence	29,295	68,845	118,150	156,125	202,611	226,002	227,759
Plus: Dividends, Interest and Rent	4,837	12,595	32,408	38,729	51,054	47,456	55,956
Plus: Transfer Payments	3,216	13,808	23,738	31,839	38,941	52,206	65,897
TOTAL PERSONAL INCOME	\$37,347	\$95,248	\$174,296	\$226,693	\$292,606	\$325,664	\$349,612
TOTAL REAL PERSONAL INCOME	\$193,589	\$228,626	\$277,502	\$312,348	\$352,830	\$349,471	\$349,612
(in 2008 dollars)							

Note: Some numbers may not add due to rounding.

Source: Bureau of Economic Analysis, U.S. Department of Commerce
Bureau of Labor Statistics.

Table A-14

MICHIGAN PERSONAL INCOME, BY INDUSTRY

(Amounts in millions of dollars)

Source	2002	2003	2004	2005	2006	2007	2008
Farm Earnings	\$589	\$704	\$1,141	\$1,060	\$1,165	\$1,137	\$1,683
Nonfarm Earnings	236,506	245,978	248,478	252,992	254,780	256,141	255,141
Private Earnings	204,159	212,245	213,164	215,963	217,460	218,186	216,117
Forestry, Fishing and Other	272	283	308	309	313	311	326
Mining	592	689	742	809	926	796	896
Construction	14,989	14,735	15,360	15,597	15,306	14,595	12,938
Manufacturing	52,027	57,960	51,931	50,066	49,131	48,922	46,205
Nondurable Goods	9,504	9,980	10,126	10,018	10,159	10,100	10,194
Durable Goods	42,523	47,980	41,805	40,048	38,972	38,822	36,012
Transportation and Utilities	8,746	9,038	9,452	9,589	9,848	10,180	10,034
Wholesale Trade	11,398	11,671	12,048	12,416	12,723	13,126	13,553
Retail Trade	15,746	16,071	16,236	16,179	16,079	16,091	16,052
Finance, Insurance and Real Estate	17,752	17,046	17,894	18,679	18,376	17,315	16,961
Health Care Services	21,868	23,076	24,440	25,756	27,158	28,225	29,857
Prof., Tech. & Information Services	26,937	26,721	27,546	28,369	29,054	29,862	30,348
Other Services	33,832	34,957	37,208	38,193	38,548	38,763	38,946
Government and Gov. Enterprise	32,346	33,733	35,314	37,029	37,320	37,955	39,024
Federal Civilian	4,018	4,172	4,492	4,598	4,756	4,957	4,974
Military	575	786	838	921	904	939	1,000
State and Local	27,754	28,775	29,985	31,510	31,659	32,059	33,050
Total Earnings by Place of Work	237,095	246,682	249,619	254,052	255,945	257,279	256,824
Less: Contributions for Social Insurance	27,194	27,688	28,493	29,404	30,177	30,458	30,627
Plus: Adjustment for Residence	1,113	1,180	1,284	1,354	1,457	1,522	1,562
Equals: Net Earnings by Place of Residence	211,014	220,174	222,410	226,002	227,226	228,342	227,759
Plus: Dividends, Interest and Rent	47,085	46,894	47,793	47,456	51,644	55,240	55,956
Plus: Transfer Payments	44,911	47,125	49,154	52,206	55,900	60,003	65,897
TOTAL PERSONAL INCOME	\$303,009	\$314,192	\$319,358	\$325,664	\$334,769	\$343,585	\$349,612

Note: Some numbers may not add due to rounding.

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Table A-15

U. S. AND MICHIGAN PERSONAL AND PER-PERSON INCOME

Year	United States				Michigan				Michigan Per Person Income Percent of U.S.
	Personal Income	Percent Change Annual Rate	Per Person Income	Change Annual Rate	Personal Income	Percent Change Annual Rate	Per Person Income	Percent Change Annual Rate	
1970	\$832,238,000		\$4,084		\$37,347,243		\$4,198		102.8
1975	1,329,714,000	9.8	6,172	8.6	57,439,813	9.0	6,307	8.5	102.2
1980	2,292,903,000	11.5	10,091	10.3	95,247,978	10.6	10,291	10.3	102.0
1985	3,482,520,000	8.7	14,637	7.7	133,283,377	7.0	14,685	7.4	100.3
1990	4,831,282,000	6.8	19,354	5.7	174,296,152	5.5	18,719	5.0	96.7
1991	5,013,484,000	3.8	19,818	2.4	179,823,938	3.2	19,129	2.2	96.5
1992	5,335,268,000	6.4	20,799	5.0	191,273,822	6.4	20,179	5.5	97.0
1993	5,558,374,000	4.2	21,385	2.8	200,783,687	5.0	21,046	4.3	98.4
1994	5,866,796,000	5.5	22,297	4.3	216,841,850	8.0	22,593	7.4	101.3
1995	6,194,245,000	5.6	23,262	4.3	226,692,924	4.5	23,428	3.7	100.7
1996	6,584,404,000	6.3	24,442	5.1	236,927,006	4.5	24,279	3.6	99.3
1997	6,994,388,000	6.2	25,654	5.0	248,649,679	4.9	25,349	4.4	98.8
1998	7,519,327,000	7.5	27,258	6.3	264,935,819	6.5	26,903	6.1	98.7
1999	7,906,131,000	5.1	28,333	3.9	275,718,349	4.1	27,858	3.5	98.3
2000	8,554,866,000	8.2	30,318	7.0	292,605,797	6.1	29,392	5.5	96.9
2001	8,878,830,000	3.8	31,149	2.7	299,902,889	2.5	29,977	2.0	96.2
2002	9,054,781,000	2.0	31,470	1.0	303,009,065	1.0	30,188	0.7	95.9
2003	9,369,072,000	3.5	32,284	2.6	314,192,006	3.7	31,214	3.4	96.7
2004	9,928,790,000	6.0	33,899	5.0	319,357,608	1.6	31,650	1.4	93.4
2005	10,476,669,000	5.5	35,447	4.6	325,664,091	2.0	32,265	1.9	91.0
2006	11,256,516,000	7.4	37,728	6.4	334,769,481	2.8	33,198	2.9	88.0
2007	11,879,836,000	5.5	39,430	4.5	343,585,086	2.6	34,188	3.0	86.7
2008	12,225,589,000	2.9	40,208	2.0	349,612,178	1.8	34,949	2.2	86.9

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Table A-16
U. S. AND MICHIGAN REAL PERSONAL AND PER-PERSON INCOME
(in 2008 dollars)

Year	United States				Michigan			
	Real Personal Income	Percent Change Annual Rate	Real Per Person Income	Percent Change Annual Rate	Real Personal Income	Percent Change Annual Rate	Real Per Person Income	Percent Change Annual Rate
1970	\$4,618,127,271		\$22,662		\$193,589,198		\$21,760	
1975	\$5,321,401,735	2.9	24,700	1.7	218,194,561	2.4	23,958	1.9
1980	\$5,991,127,362	2.4	26,367	1.3	228,626,413	0.9	24,702	0.6
1985	\$6,968,373,639	3.1	29,288	2.1	255,519,709	2.2	28,153	2.6
1990	\$7,958,603,737	2.7	31,882	1.7	277,502,244	1.7	29,803	1.1
1991	\$7,925,243,360	-0.4	31,328	-1.7	276,623,529	-0.3	29,426	-1.3
1992	\$8,187,449,795	3.3	31,918	1.9	288,174,632	4.2	30,402	3.3
1993	\$8,281,900,327	1.2	31,863	-0.2	294,484,659	2.2	30,868	1.5
1994	\$8,523,203,638	2.9	32,393	1.7	308,318,994	4.7	32,124	4.1
1995	\$8,750,915,559	2.7	32,863	1.5	312,348,067	1.3	32,280	0.5
1996	\$9,035,321,443	3.3	33,540	2.1	318,100,529	1.8	32,597	1.0
1997	\$9,382,633,767	3.8	34,414	2.6	325,723,125	2.4	33,206	1.9
1998	\$9,932,108,350	5.9	36,004	4.6	339,456,064	4.2	34,470	3.8
1999	\$10,217,369,284	2.9	36,616	1.7	344,434,292	1.5	34,801	1.0
2000	\$10,696,215,531	4.7	37,907	3.5	352,829,515	2.4	35,441	1.8
2001	\$10,794,120,471	0.9	37,868	-0.1	352,090,119	-0.2	35,193	-0.7
2002	\$10,836,695,462	0.4	37,663	-0.5	346,788,709	-1.5	34,550	-1.8
2003	\$10,962,985,374	1.2	37,776	0.3	352,494,164	1.6	35,019	1.4
2004	\$11,316,560,473	3.2	38,637	2.3	352,685,175	0.1	34,953	-0.2
2005	\$11,549,709,502	2.1	39,078	1.1	349,471,024	-0.9	34,624	-0.9
2006	\$12,021,635,240	4.1	40,292	3.1	348,643,854	-0.2	34,574	-0.1
2007	\$12,335,968,257	2.6	40,944	1.6	351,515,069	0.8	34,977	1.2
2008	\$12,225,589,000	-0.9	40,208	-1.8	349,612,178	-0.5	34,949	-0.1

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Bureau of Labor Statistics, U.S. Department of Labor. U.S. income deflated by U.S. CPI. Michigan income deflated by Detroit CPI.

Table A-17
COUNTY AND METRO AREA
PER-PERSON INCOME

Area	1970	1980	1990	1995	2000	2005	2007	Rank by 2007 Level	Percent Annual Growth 2000 - 07	Rank by Annual Growth 2000 - 07	Area as Percent of State for 2007
United States	\$4,084	\$10,091	\$19,354	\$23,262	\$30,318	\$35,447	\$39,430		3.8		
Michigan	4,198	10,291	18,719	23,428	29,392	32,265	34,188	Among	2.2	Among	
Michigan (Metropolitan Portion)	4,352	10,750	19,781	24,584	31,084	33,670	35,941	MSAs	2.1	MSAs	105
Ann Arbor MSA	4,668	12,040	23,002	28,442	35,567	37,966	40,905	1	2.0	8	120
Battle Creek MSA	4,041	9,415	16,865	21,046	25,153	28,056	29,897	9	2.5	5	87
Bay City MSA	3,578	9,502	16,817	20,874	25,959	27,605	29,656	10	1.9	10	87
Detroit-Warren-Livonia MSA	4,626	11,420	21,338	26,201	34,053	36,692	39,009	2	2.0	9	114
Flint MSA	3,992	10,586	17,481	24,056	26,439	26,973	28,700	11	1.2	14	84
Grand Rapids-Wyoming MSA	3,886	9,649	18,137	22,418	28,018	31,661	33,849	3	2.7	3	99
Holland-Grand Haven MSA	3,805	9,417	18,944	23,415	27,886	30,519	32,777	4	2.3	6	96
Jackson MSA	4,080	9,532	16,104	20,237	24,986	26,840	28,411	13	1.9	11	83
Kalamazoo-Portage MSA	3,970	9,587	18,091	22,328	26,398	30,110	32,707	5	3.1	1	96
Lansing-East Lansing MSA	3,922	9,766	17,626	22,273	26,905	29,845	32,425	6	2.7	4	95
Monroe MSA	3,730	9,515	17,314	23,060	29,243	30,553	32,355	7	1.5	13	95
Muskegon-Norton Shores MSA	3,687	8,864	15,013	18,168	23,130	25,341	26,880	14	2.2	7	79
Niles-Benton Harbor MSA	4,070	8,939	16,339	20,845	26,083	29,055	32,140	8	3.0	2	94
Saginaw-Saginaw Township MSA	3,801	9,934	16,465	20,618	25,599	26,803	28,679	12	1.6	12	84
Detroit-Warren-Flint CSA	4,553	11,330	20,999	26,069	33,394	35,815	38,113	Among Counties	1.9	Among Counties	111
Alcona	2,907	7,140	13,614	17,112	20,195	21,951	22,737	74	1.7	73	67
Alger	2,622	6,189	12,278	15,267	18,715	21,688	22,885	73	2.9	31	67
Allegan	3,496	8,619	16,014	20,422	26,416	28,607	30,423	23	2.0	63	89
Alpena	3,267	8,283	15,162	18,625	23,345	26,972	28,534	34	2.9	32	83
Antrim	3,159	8,320	14,735	19,485	24,441	27,110	29,126	30	2.5	47	85
Arenac	3,250	7,817	13,876	16,433	20,558	22,978	24,820	59	2.7	39	73
Baraga	3,168	7,233	12,312	15,685	18,638	21,129	23,381	70	3.3	17	68
Barry	3,322	9,105	15,831	21,781	27,672	29,419	31,053	20	1.7	74	91
Bay	3,578	9,502	16,817	20,874	25,959	27,605	29,656	29	1.9	68	87
Benzie	3,383	7,722	14,483	18,780	23,656	25,810	28,165	36	2.5	48	82
Berrien	4,070	8,939	16,339	20,845	26,083	29,055	32,140	16	3.0	23	94
Branch	3,185	8,629	14,412	16,638	20,983	23,093	24,146	62	2.0	66	71
Calhoun	4,041	9,415	16,865	21,046	25,153	28,056	29,897	26	2.5	49	87

Table A-17 (Continued)

Area	1970	1980	1990	1995	2000	2005	2007	Rank by 2007 Level	Percent Annual Growth 2000 - 07	Rank by Annual Growth 2000 - 07	Area as Percent of State for 2007
Cass	\$3,658	\$8,517	\$14,626	\$19,194	\$24,755	\$28,324	\$30,853	22	3.2	20	90
Charlevoix	3,142	8,256	15,967	20,846	26,055	32,147	35,304	10	4.4	3	103
Cheboygan	2,990	7,597	13,696	17,634	21,469	24,294	25,767	51	2.6	42	75
Chippewa	3,019	6,970	11,774	15,011	18,605	21,541	22,708	76	2.9	33	66
Clare	2,865	6,857	12,485	15,374	19,084	22,180	23,869	68	3.2	19	70
Clinton	3,576	8,976	16,339	22,516	28,674	30,829	33,580	12	2.3	56	98
Crawford	3,255	6,484	11,965	15,458	19,677	20,973	22,698	77	2.1	61	66
Delta	3,232	7,950	14,554	18,627	23,134	26,312	27,974	39	2.8	38	82
Dickinson	3,544	9,554	17,464	20,264	25,262	29,503	31,975	17	3.4	15	94
Eaton	3,717	9,636	17,750	22,858	26,977	28,692	31,345	19	2.2	59	92
Emmet	3,696	9,063	18,898	22,203	27,442	33,611	35,916	6	3.9	7	105
Genesee	3,992	10,586	17,481	24,056	26,439	26,973	28,700	32	1.2	80	84
Gladwin	3,104	7,118	12,748	16,020	19,941	21,974	23,435	69	2.3	53	69
Gogebic	3,226	7,206	13,036	16,636	20,176	23,583	25,606	54	3.5	14	75
Grand Traverse	3,886	9,158	18,115	22,151	28,899	32,367	35,520	9	3.0	29	104
Gratiot	3,501	8,446	14,352	17,949	19,972	23,535	24,559	60	3.0	27	72
Hillsdale	3,476	8,126	14,419	18,272	22,748	24,571	25,271	56	1.5	78	74
Houghton	2,808	6,928	12,864	15,837	19,443	22,629	24,841	58	3.6	12	73
Huron	3,247	8,770	15,799	20,395	24,833	27,902	29,657	28	2.6	46	87
Ingham	4,040	9,969	17,850	22,015	26,467	30,043	32,552	14	3.0	26	95
Ionia	3,101	7,885	13,217	16,183	20,939	23,063	24,099	63	2.0	65	70
Iosco	3,459	7,698	15,123	17,363	19,913	22,479	24,030	65	2.7	40	70
Iron	2,856	8,120	13,643	16,278	20,354	25,445	27,108	44	4.2	6	79
Isabella	2,916	7,633	14,038	16,347	20,518	24,733	26,770	47	3.9	8	78
Jackson	4,080	9,532	16,104	20,237	24,986	26,840	28,411	35	1.9	71	83
Kalamazoo	4,095	10,078	19,282	23,688	27,792	31,770	34,526	11	3.1	21	101
Kalkaska	3,342	6,712	12,456	16,273	18,350	20,525	22,631	78	3.0	22	66
Kent	4,067	10,076	19,278	23,630	29,383	33,497	35,859	7	2.9	34	105
Keweenaw	2,573	6,797	14,189	16,964	20,891	25,913	28,113	37	4.3	4	82
Lake	2,909	6,081	11,279	15,316	18,632	20,287	22,458	79	2.7	41	66
Lapeer	3,482	9,152	16,958	21,848	28,095	28,590	30,117	25	1.0	82	88
Leelanau	3,688	8,982	17,813	22,514	27,979	36,350	39,445	4	5.0	1	115
Lenawee	3,881	9,485	17,025	20,768	26,012	28,578	29,707	27	1.9	70	87
Livingston	4,121	10,488	20,613	27,403	35,819	36,363	38,330	5	1.0	83	112
Luce	2,715	8,334	15,328	19,834	17,198	18,897	20,121	83	2.3	57	59

Table A-17 (Continued)

Area	1970	1980	1990	1995	2000	2005	2007	Rank by 2007 Level	Percent Annual Growth 2000 - 07	Rank by Annual Growth 2000 - 07	Area as Percent of State for 2007
Mackinac	\$2,873	\$7,343	\$14,958	\$20,178	\$24,560	\$28,066	\$30,222	24	3.0	25	88
Macomb	4,386	11,086	21,245	25,016	32,949	34,249	35,722	8	1.2	81	104
Manistee	3,227	8,009	14,378	16,921	21,891	24,401	26,190	49	2.6	44	77
Marquette	3,272	8,288	14,951	18,214	22,318	26,193	28,814	31	3.7	10	84
Mason	3,324	7,845	14,647	18,336	22,662	25,532	27,472	41	2.8	35	80
Mecosta	2,520	6,314	11,674	16,198	18,548	21,023	23,241	71	3.3	18	68
Menominee	2,925	7,708	14,748	18,444	21,954	24,498	26,584	48	2.8	37	78
Midland	4,367	10,723	21,894	26,447	31,588	36,482	40,252	3	3.5	13	118
Missaukee	2,725	6,532	12,527	15,445	19,312	21,594	22,730	75	2.4	51	66
Monroe	3,730	9,515	17,314	23,060	29,243	30,553	32,355	15	1.5	79	95
Montcalm	3,411	8,437	12,848	15,893	18,937	21,493	21,630	82	1.9	69	63
Montmorency	2,653	6,966	11,776	14,898	18,143	20,491	21,972	80	2.8	36	64
Muskegon	3,687	8,864	15,013	18,168	23,130	25,341	26,880	46	2.2	58	79
Newavgo	3,289	7,561	13,518	16,979	21,131	23,310	25,256	57	2.6	45	74
Oakland	5,500	14,114	27,710	35,578	47,084	51,866	55,207	1	2.3	55	161
Oceana	3,285	7,748	13,662	16,764	19,254	23,285	25,742	52	4.2	5	75
Ogemaw	2,808	6,470	11,636	14,431	18,036	21,409	23,104	72	3.6	11	68
Ontonagon	3,108	7,560	13,906	18,375	20,895	25,252	27,215	42	3.8	9	80
Osceola	2,967	6,552	12,203	16,026	19,457	22,983	23,968	66	3.0	24	70
Oscoda	2,509	6,577	10,474	13,523	15,574	19,783	21,947	81	5.0	2	64
Otsego	3,334	8,181	15,688	18,658	24,370	26,624	28,063	38	2.0	64	82
Ottawa	3,805	9,417	18,944	23,415	27,886	30,519	32,777	13	2.3	52	96
Presque Isle	2,739	7,751	13,422	15,994	20,112	22,916	24,077	64	2.6	43	70
Roscommon	3,271	7,528	13,981	16,714	19,770	22,703	24,300	61	3.0	28	71
Saginaw	3,801	9,934	16,465	20,618	25,599	26,803	28,679	33	1.6	75	84
St. Clair	3,879	9,426	17,465	21,592	27,833	29,841	30,942	21	1.5	77	91
St. Joseph	3,855	8,650	15,143	19,686	23,105	25,101	27,141	43	2.3	54	79
Sanilac	3,615	8,552	14,816	19,025	23,355	26,007	27,490	40	2.4	50	80
Schoolcraft	2,929	7,431	13,707	17,312	20,324	23,488	25,527	55	3.3	16	75
Shiawassee	3,668	9,257	15,408	19,690	23,146	24,585	26,155	50	1.8	72	77
Tuscola	3,328	8,781	14,578	18,762	21,485	22,503	23,966	67	1.6	76	70
Van Buren	3,526	8,030	14,298	18,078	22,034	24,946	26,987	45	2.9	30	79
Washtenaw	4,668	12,040	23,002	28,442	35,567	37,966	40,905	2	2.0	67	120
Wayne	4,452	10,578	18,550	21,927	27,522	29,621	31,724	18	2.1	62	93
Wexford	3,003	7,140	13,825	17,579	22,182	24,272	25,616	53	2.1	60	75

Source: Bureau of Economic Analysis, U.S. Dept. of Commerce

Note: County and Metro Area data are from April 23, 2009 release, U.S. and Michigan data are from October 16, 2009 release.

Table A-18

MICHIGAN GROSS STATE PRODUCT BY SECTOR - MILLIONS OF DOLLARS

Component	2000	2002	2003	2004	2005	2006	2007	2008
Agriculture	\$1,587	\$1,606	\$1,796	\$2,256	\$2,312	\$2,342	\$3,100	\$2,863
Mining	690	651	737	834	1,018	1,525	1,315	1,475
Utilities	6,438	6,829	7,464	7,911	7,932	9,055	9,457	9,771
Construction	15,568	15,462	14,977	15,640	16,548	15,867	14,342	13,020
Manufacturing	76,330	75,839	77,160	68,721	66,157	63,970	64,541	61,757
Durable goods	62,663	60,925	61,790	53,634	52,333	48,847	49,386	45,866
Motor vehicle	35,771	36,969	37,939	28,704	26,188	22,938	23,726	N/A
Furniture	3,263	2,571	2,825	3,330	3,630	3,355	3,420	N/A
Other durable goods	23,629	21,385	21,026	21,600	22,515	22,554	22,240	N/A
Nondurable goods	13,667	14,914	15,369	15,087	13,824	15,123	15,154	15,891
Wholesale + retail trade	42,737	44,121	45,510	46,445	47,804	48,372	48,843	49,026
Transportation	8,347	8,376	8,693	9,314	9,517	9,609	10,265	10,067
Information	8,652	9,192	9,418	10,103	10,529	10,221	10,394	10,541
Finance, insurance, real estate	56,066	61,987	63,264	65,550	66,453	68,071	66,479	67,060
Prof., tech, mgmt of enterpr.	37,143	34,270	34,187	36,576	37,889	37,750	39,366	40,856
Admin. & waste services	10,571	10,931	11,832	12,179	13,453	13,397	13,296	13,216
Education services	1,548	1,783	2,005	2,212	2,355	2,469	2,666	2,777
Health services	20,814	23,730	25,228	26,510	28,206	29,534	30,964	32,892
Arts, entertainment, & recr.	2,593	3,102	3,138	3,259	3,345	3,507	3,685	3,975
Accommodation & food serv.	7,124	7,503	7,795	8,179	8,523	8,857	9,227	9,430
Other serv.	7,364	8,001	8,265	8,472	8,693	8,805	9,131	9,281
Government	33,664	36,452	37,563	38,913	41,275	41,795	42,862	44,538
Federal gov.	4,223	4,596	5,095	5,341	5,509	5,670	5,869	N/A
State & local gov.	29,441	31,857	32,468	33,573	35,766	36,125	36,993	N/A
Total Gross State Product	\$337,235	\$349,837	\$359,031	\$363,073	\$372,008	\$375,148	\$379,933	\$382,545
Agriculture	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%	0.8%	0.7%
Mining	0.2%	0.2%	0.2%	0.2%	0.3%	0.4%	0.3%	0.4%
Utilities	1.9%	2.0%	2.1%	2.2%	2.1%	2.4%	2.5%	2.6%
Construction	4.6%	4.4%	4.2%	4.3%	4.4%	4.2%	3.8%	3.4%
Manufacturing	22.6%	21.7%	21.5%	18.9%	17.8%	17.1%	17.0%	16.1%
Wholesale + retail trade	12.7%	12.6%	12.7%	12.8%	12.9%	12.9%	12.9%	12.8%
Transportation	2.5%	2.4%	2.4%	2.6%	2.6%	2.6%	2.7%	2.6%
Information	2.6%	2.6%	2.6%	2.8%	2.8%	2.7%	2.7%	2.8%
Finance, insurance, real estate	16.6%	17.7%	17.6%	18.1%	17.9%	18.1%	17.5%	17.5%
Prof., tech, mgmt of enterpr.	11.0%	9.8%	9.5%	10.1%	10.2%	10.1%	10.4%	10.7%
Admin. & waste services	3.1%	3.1%	3.3%	3.4%	3.6%	3.6%	3.5%	3.5%
Education services	0.5%	0.5%	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%
Health services	6.2%	6.8%	7.0%	7.3%	7.6%	7.9%	8.1%	8.6%
Arts, entertainment, & recr.	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%
Accommodation & food serv.	2.1%	2.1%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%
Other Serv.	2.2%	2.3%	2.3%	2.3%	2.3%	2.3%	2.4%	2.4%
Government	10.0%	10.4%	10.5%	10.7%	11.1%	11.1%	11.3%	11.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Table A-19
U. S. AND DETROIT CONSUMERS PRICE INDICES
AND INFLATION RATES - CALENDAR YEAR
(1982-1984=100)

Calendar Year	United States		Detroit	
	Index	Percent Change	Index	Percent Change
1970	38.8	5.7	39.5	6.2
1971	40.5	4.4	40.9	3.5
1972	41.8	3.2	42.5	3.9
1973	44.4	6.2	45.2	6.4
1974	49.3	11.0	50.1	10.8
1975	53.8	9.1	53.9	7.6
1976	56.9	5.8	56.8	5.4
1977	60.6	6.5	60.7	6.9
1978	65.2	7.6	65.3	7.6
1979	72.6	11.3	73.6	12.7
1980	82.4	13.5	85.3	15.9
1981	90.9	10.3	93.2	9.3
1982	96.5	6.2	97.0	4.1
1983	99.6	3.2	99.8	2.9
1984	103.9	4.3	103.2	3.4
1985	107.6	3.6	106.8	3.5
1986	109.6	1.9	108.3	1.4
1987	113.6	3.6	111.7	3.1
1988	118.3	4.1	116.1	3.9
1989	124.0	4.8	122.3	5.3
1990	130.7	5.4	128.6	5.2
1991	136.2	4.2	133.1	3.5
1992	140.3	3.0	135.9	2.1
1993	144.5	3.0	139.6	2.7
1994	148.2	2.6	144.0	3.2
1995	152.4	2.8	148.6	3.2
1996	156.9	3.0	152.5	2.6
1997	160.5	2.3	156.3	2.5
1998	163.0	1.6	159.8	2.2
1999	166.6	2.2	163.9	2.6
2000	172.2	3.4	169.8	3.6
2001	177.1	2.8	174.4	2.7
2002	179.9	1.6	178.9	2.6
2003	184.0	2.3	182.5	2.0
2004	188.9	2.7	185.4	1.6
2005	195.3	3.4	190.8	2.9
2006	201.6	3.2	196.6	3.0
2007	207.342	2.8	200.129	1.8
2008	215.303	3.8	204.748	2.3

Source: Bureau of Labor Statistics, U.S. Dept. of Labor

Table A-20
U. S. AND DETROIT CONSUMERS PRICE INDICES
AND INFLATION RATES - MICHIGAN FISCAL YEAR
(1982-1984=100)

Fiscal Year	United States		Detroit	
	Index	Percent Change	Index	Percent Change
1970	37.8	5.9	38.4	6.5
1971	39.7	5.2	40.3	4.8
1972	41.2	3.6	41.7	3.6
1973	42.8	4.0	43.5	4.3
1974	46.6	8.9	47.5	9.2
1975	51.8	11.1	52.2	9.9
1976	55.8	7.8	55.7	6.8
1977	59.7	6.9	59.7	7.1
1978	63.9	7.0	63.8	6.9
1979	70.4	10.2	71.2	11.6
1980	80.0	13.6	82.3	15.6
1981	88.9	11.1	92.1	11.9
1982	95.4	7.3	95.8	4.0
1983	98.8	3.6	99.4	3.8
1984	102.9	4.1	102.4	3.0
1985	106.6	3.6	105.8	3.3
1986	109.3	2.5	108.1	2.2
1987	112.4	2.8	110.7	2.4
1988	117.0	4.1	114.8	3.7
1989	122.6	4.8	120.8	5.2
1990	128.7	5.0	126.8	5.0
1991	135.2	5.1	132.4	4.4
1992	139.3	3.0	135.2	2.1
1993	143.5	3.0	138.6	2.5
1994	147.3	2.6	142.9	3.1
1995	151.4	2.8	147.5	3.2
1996	155.6	2.8	151.6	2.8
1997	159.8	2.7	155.4	2.5
1998	162.4	1.6	158.9	2.3
1999	165.5	1.9	162.8	2.5
2000	170.8	3.2	168.3	3.4
2001	176.3	3.2	173.8	3.3
2002	178.9	1.5	177.5	2.1
2003	183.1	2.3	182.0	2.5
2004	187.4	2.3	184.4	1.3
2005	193.5	3.3	189.0	2.5
2006	200.6	3.7	195.9	3.7
2007	205.3	2.3	199.0	1.6
2008	214.463	4.5	204.594	2.8

Source: Bureau of Labor Statistics, U.S. Dept. of Labor

Note: Rates based on State of Michigan Fiscal Year. Fiscal years 1956 - 1975 are July through June; fiscal year 1976 is July through September; and fiscal years after 1976 are October through September.

Table A-21

U.S. AND DETROIT CONSUMER PRICE INDICES DETAIL

(Annual Average)

Expenditure category	1970		1980		1990		2000		2005		2008	
	U.S.	Detroit	U.S.	Detroit	U.S.	Detroit	U.S.	Detroit	U.S.	Detroit	U.S.	Detroit
All Items	38.8	39.5	82.4	85.3	130.7	128.6	172.2	169.8	195.3	190.8	215.303	204.748
Food and beverages	40.1	NA	86.7	88.9	132.1	126.5	168.4	163.9	191.2	180.6	214.225	194.745
Food	39.2	41.7	86.8	88.9	132.4	126.3	167.8	163.3	190.7	180.1	214.106	194.660
Food at home	39.9	41.5	88.4	88.4	132.3	126.8	167.9	163.4	189.8	178.9	214.125	191.670
Food away from home	37.5	40.8	83.4	89.8	133.4	126.5	169.0	164.4	193.4	182.2	215.769	199.189
Housing	36.4	NA	81.1	85.5	128.5	126.4	169.6	161.7	195.7	181.6	216.264	192.361
Shelter	35.5	38.1	81.0	88.6	140.0	140.1	193.4	187.2	224.4	206.8	246.666	214.796
Rent of primary residence	46.5	50.5	80.9	87.8	138.4	136.5	183.9	172.8	217.3	194.6	243.271	204.449
Owners' equivalent rent	NA	NA	NA	NA	144.8	144.2	198.7	192.1	230.2	208.8	252.426	214.883
Fuel and utilities	29.1	26.3	75.4	72.2	111.6	112.4	137.9	129.8	179.0	193.5	220.018	228.474
Household furnishings/operations	46.8	NA	86.3	87.3	113.3	104.3	128.2	120.4	126.1	113.5	127.800	121.325
Apparel	59.2	67.9	90.9	94.3	124.1	127.9	129.6	127.9	119.5	116.6	118.907	110.654
Transportation	37.5	36.9	83.1	82.8	120.5	124.0	153.3	162.5	173.9	189.2	195.549	215.962
Private	37.5	36.6	84.2	83.3	118.8	123.9	149.1	160.0	170.2	188.3	191.039	214.296
Gasoline (all types)	27.9	NA	97.5	96.6	101.0	102.0	128.6	135.1	194.7	194.3	277.457	279.662
Public	35.2		69.0		142.6		209.6		217.3		250.549	
Medical care	34.0	33.5	74.9	80.1	162.8	159.8	260.8	257.4	323.2	314.4	364.065	351.278
Recreation	NA	NA	NA	NA	NA	NA	103.3	106.7	109.4	119.3	113.254	118.053
Education and communication	NA	NA	NA	NA	NA	NA	102.5	107.9	113.7	119.5	123.631	130.743
Other goods and services	40.9	NA	75.2	75.1	159.0	147.5	271.1	275.8	313.4	332.8	345.381	351.065

Source: Bureau of Labor Statistics, U.S. Dept. of Labor

Table A-22
U. S. INTEREST RATES
(percent per year - average)

Year	U.S. Government Security Yields		High Grade Municipal Bonds (Standard & Poor's)	Corporate Aaa	30-year Conventional Fixed Rate Mortgages
	3-month Treasury Bills ⁽¹⁾	Constant Maturity 10- Year Issues		Bonds (Moody's, Seasoned Issues)	
1960	2.9	4.1	3.7	4.4	NA
1965	4.0	4.3	3.3	4.5	NA
1970	6.4	7.4	6.5	8.0	NA
1975	5.8	8.0	6.9	8.8	9.0
1980	11.4	11.4	8.5	11.9	13.8
1981	14.0	13.9	11.2	14.2	16.6
1982	10.6	13.0	11.6	13.8	16.1
1983	8.6	11.1	9.5	12.0	13.2
1984	9.5	12.5	10.2	12.7	13.9
1985	7.5	10.6	9.2	11.4	12.4
1986	6.0	7.7	7.4	9.0	10.2
1987	5.8	8.4	7.7	9.4	10.2
1988	6.7	8.9	7.8	9.7	10.3
1989	8.1	8.5	7.2	9.3	10.3
1990	7.5	8.6	7.3	9.3	10.1
1991	5.4	7.9	6.9	8.8	9.3
1992	3.4	7.0	6.4	8.1	8.4
1993	3.0	5.9	5.6	7.2	7.3
1994	4.3	7.1	6.2	8.0	8.4
1995	5.5	6.6	6.0	7.6	8.0
1996	5.0	6.4	5.8	7.4	7.8
1997	5.1	6.4	5.6	7.3	7.6
1998	4.8	5.3	5.1	6.5	6.9
1999	4.6	5.7	5.4	7.1	7.4
2000	5.8	6.0	5.8	7.6	8.1
2001	3.4	5.0	5.2	7.1	7.0
2002	1.6	4.6	5.1	6.5	6.5
2003	1.0	4.0	4.7	5.7	5.8
2004	1.4	4.3	4.6	5.6	5.8
2005	3.2	4.3	4.3	5.2	5.9
2006	4.7	4.8	4.4	5.6	6.4
2007	4.4	4.6	4.4	5.6	6.3
2008	1.4	3.7	4.8	5.6	6.0

(1) Secondary market, bank discount basis

Source: Federal Reserve Board and U.S. Government Printing Office

Table A-23
U.S. AND MICHIGAN RESIDENT POPULATION

Year	Michigan Population	Population Change		Natural Increase	Net Migration	U.S. Population	Michigan Percent of U.S.
		Number	Percent				
1970	8,881,800					203,302,000	4.4
1975	9,117,700	200	0.0	60,300	-60,300	215,973,200	4.2
1980	9,262,100	-4,200	0.0	53,100	-57,100	226,545,800	4.1
1981	9,209,300	-52,800	-0.6	84,200	-137,000	229,465,700	4.0
1982	9,115,200	-94,100	-1.0	64,300	-158,400	231,664,500	3.9
1983	9,047,800	-67,400	-0.7	60,100	-127,600	233,792,000	3.9
1984	9,049,500	1,700	0.0	56,100	-54,400	235,824,900	3.8
1985	9,076,300	26,800	0.3	59,700	-32,900	237,923,800	3.8
1986	9,127,800	51,500	0.6	58,800	-7,300	240,132,900	3.8
1987	9,187,500	59,700	0.7	59,300	400	242,288,900	3.8
1988	9,218,000	30,500	0.3	59,000	-28,500	244,499,000	3.8
1989	9,253,300	35,300	0.4	63,500	-28,200	246,819,200	3.7
1990	9,295,300	42,000	0.5	53,100	-11,100	248,709,900	3.7
1991	9,395,000	99,700	1.1	93,000	-17,400	252,153,100	3.7
1992	9,470,300	75,300	0.8	67,100	-17,300	255,029,700	3.7
1993	9,529,200	58,900	0.6	61,100	-27,600	257,782,600	3.7
1994	9,584,500	55,300	0.6	54,300	-24,500	260,327,000	3.7
1995	9,659,900	75,400	0.8	53,500	100	262,803,300	3.7
1996	9,739,200	79,300	0.8	49,600	5,600	265,228,600	3.7
1997	9,785,500	46,300	0.5	50,100	-3,300	267,783,600	3.7
1998	9,820,200	34,700	0.4	47,700	-12,000	270,248,000	3.6
1999	9,863,800	43,600	0.4	48,000	-3,400	272,690,800	3.6
2000	9,938,400	74,600	0.8	N/A	N/A	281,421,900	3.5
2001	10,004,300	65,900	0.7	61,600	200	285,039,800	3.5
2002	10,037,300	33,000	0.3	44,100	-13,100	287,726,600	3.5
2003	10,065,900	28,600	0.3	43,300	-14,200	290,210,900	3.5
2004	10,090,300	24,400	0.2	44,800	-22,300	292,892,100	3.4
2005	10,093,300	3,000	0.0	41,000	-39,000	295,560,500	3.4
2006	10,083,900	-9,400	-0.1	42,100	-55,500	298,363,000	3.4
2007	10,049,800	-34,100	-0.3	44,200	-79,200	301,290,300	3.3
2008	10,003,400	-46,400	-0.5	45,400	-92,600	304,059,700	3.3

Note: Subnational population estimates result in an uncategorized residual so that the sum of natural increase and net migration does not equal the annual change in population. The residual and the movement of federal employees and their dependents are not shown in the table.

Sources: U.S. Census Bureau and Michigan Information Center

Table A-24

MICHIGAN POPULATION BY COUNTY

County/Region	Population	Population	Change 2000-08		Natural Increase 2000-08				Net Migration 2000-08	
	April 1, 2000	July 1, 2008	Number	Percent	Births	Deaths	Number	Percent	Number	Percent
United States	281,424,602	304,059,724	22,635,122	8.0	34,126,003	20,001,837	14,124,166	5.0	8,114,516	2.9
Michigan	9,938,492	10,003,422	64,930	0.7	1,076,193	709,627	366,566	3.7	-315,621	-3.2
Alcona	11,719	11,556	-163	-1.4	608	1,369	-761	-6.5	636	5.4
Alger	9,862	9,438	-424	-4.3	659	916	-257	-2.6	-107	-1.1
Allegan	105,665	112,975	7,310	6.9	12,387	6,936	5,451	5.2	2,364	2.2
Alpena	31,314	29,520	-1,794	-5.7	2,481	2,842	-361	-1.2	-1,254	-4.0
Antrim	23,110	24,109	999	4.3	2,007	1,948	59	0.3	1,082	4.7
Arenac	17,269	16,361	-908	-5.3	1,422	1,584	-162	-0.9	-601	-3.5
Baraga	8,746	8,528	-218	-2.5	775	831	-56	-0.6	-110	-1.3
Barry	56,755	58,890	2,135	3.8	5,908	3,950	1,958	3.4	490	0.9
Bay	110,157	107,495	-2,662	-2.4	10,537	9,070	1,467	1.3	-3,601	-3.3
Benzie	15,998	17,396	1,398	8.7	1,656	1,407	249	1.6	1,240	7.8
Berrien	162,455	159,481	-2,974	-1.8	17,370	13,156	4,214	2.6	-6,511	-4.0
Branch	45,787	45,726	-61	-0.1	5,049	3,411	1,638	3.6	-1,408	-3.1
Calhoun	137,985	135,861	-2,124	-1.5	15,471	11,660	3,811	2.8	-5,257	-3.8
Cass	51,102	50,185	-917	-1.8	4,327	3,895	432	0.8	-860	-1.7
Charlevoix	26,090	25,936	-154	-0.6	2,423	1,970	453	1.7	-454	-1.7
Cheboygan	26,448	26,354	-94	-0.4	2,253	2,321	-68	-0.3	122	0.5
Chippewa	38,543	38,971	428	1.1	3,288	2,526	762	2.0	-141	-0.4
Clare	31,252	30,312	-940	-3.0	2,839	3,097	-258	-0.8	-397	-1.3
Clinton	64,753	69,726	4,973	7.7	6,796	3,849	2,947	4.6	2,340	3.6
Crawford	14,273	14,463	190	1.3	1,121	1,272	-151	-1.1	428	3.0
Delta	38,520	37,179	-1,341	-3.5	3,427	3,348	79	0.2	-1,233	-3.2
Dickinson	27,472	26,812	-660	-2.4	2,308	2,585	-277	-1.0	-268	-1.0
Eaton	103,655	106,781	3,126	3.0	10,141	6,745	3,396	3.3	244	0.2
Emmet	31,437	33,535	2,098	6.7	3,057	2,329	728	2.3	1,512	4.8
Genesee	436,148	428,790	-7,358	-1.7	51,044	32,333	18,711	4.3	-23,779	-5.5
Gladwin	26,023	25,920	-103	-0.4	2,225	2,506	-281	-1.1	360	1.4
Gogebic	17,370	16,043	-1,327	-7.6	1,089	2,027	-938	-5.4	-282	-1.6

Table A-24 (continued)

County/Region	Population	Population	Change 2000-08		Natural Increase 2000-08				Net Migration 2000-08	
	April 1, 2000	July 1, 2008	Number	Percent	Births	Deaths	Number	Percent	Number	Percent
Grand Traverse	77,654	86,071	8,417	10.8	8,162	5,492	2,670	3.4	6,062	7.8
Gratiot	42,285	42,245	-40	-0.1	4,070	3,537	533	1.3	-377	-0.9
Hillsdale	46,527	46,212	-315	-0.7	4,868	3,554	1,314	2.8	-1,438	-3.1
Houghton	36,016	35,174	-842	-2.3	3,314	3,123	191	0.5	-870	-2.4
Huron	36,079	32,805	-3,274	-9.1	2,826	3,662	-836	-2.3	-2,286	-6.3
Ingham	279,414	277,528	-1,886	-0.7	30,326	15,582	14,744	5.3	-15,599	-5.6
Ionia	61,518	63,833	2,315	3.8	6,993	3,720	3,273	5.3	-595	-1.0
Iosco	27,339	25,932	-1,407	-5.1	1,963	3,153	-1,190	-4.4	-12	0.0
Iron	13,138	12,001	-1,137	-8.7	754	1,686	-932	-7.1	-150	-1.1
Isabella	63,351	66,778	3,427	5.4	6,071	3,454	2,617	4.1	1,088	1.7
Jackson	158,422	160,180	1,758	1.1	17,157	12,413	4,744	3.0	-2,250	-1.4
Kalamazoo	238,603	245,912	7,309	3.1	26,113	15,637	10,476	4.4	-1,970	-0.8
Kalkaska	16,571	17,066	495	3.0	1,838	1,262	576	3.5	23	0.1
Kent	574,335	605,213	30,878	5.4	77,642	33,646	43,996	7.7	-10,418	-1.8
Keweenaw	2,301	2,202	-99	-4.3	199	186	13	0.6	-93	-4.0
Lake	11,333	11,014	-319	-2.8	937	1,238	-301	-2.7	62	0.5
Lapeer	87,906	90,875	2,969	3.4	8,578	5,194	3,384	3.8	-19	0.0
Leelanau	21,119	21,783	664	3.1	1,578	1,479	99	0.5	659	3.1
Lenawee	98,947	100,801	1,854	1.9	10,236	7,170	3,066	3.1	-774	-0.8
Livingston	156,951	182,575	25,624	16.3	16,689	8,387	8,302	5.3	18,069	11.5
Luce	7,024	6,614	-410	-5.8	509	627	-118	-1.7	-244	-3.5
Mackinac	11,943	10,624	-1,319	-11.0	874	1,112	-238	-2.0	-1,000	-8.4
Macomb	788,149	830,663	42,514	5.4	83,759	60,145	23,614	3.0	18,478	2.3
Manistee	24,527	24,640	113	0.5	2,082	2,340	-258	-1.1	493	2.0
Marquette	64,634	65,492	858	1.3	5,190	5,107	83	0.1	1,081	1.7
Mason	28,274	28,782	508	1.8	2,660	2,610	50	0.2	603	2.1
Mecosta	40,553	41,562	1,009	2.5	3,847	2,787	1,060	2.6	189	0.5
Menominee	25,326	24,202	-1,124	-4.4	2,052	2,215	-163	-0.6	-836	-3.3
Midland	82,874	82,605	-269	-0.3	8,007	5,280	2,727	3.3	-2,576	-3.1
Missaukee	14,478	15,001	523	3.6	1,430	1,144	286	2.0	312	2.2
Monroe	145,945	152,949	7,004	4.8	14,513	9,984	4,529	3.1	3,165	2.2

Table A-24 (continued)

County/Region	Population	Population	Change 2000-08		Natural Increase 2000-08				Net Migration 2000-08	
	April 1, 2000	July 1, 2008	Number	Percent	Births	Deaths	Number	Percent	Number	Percent
Montmorency	10,315	10,335	20	0.2	719	1,235	-516	-5.0	576	5.6
Muskegon	170,200	174,344	4,144	2.4	19,620	13,074	6,546	3.8	-1,531	-0.9
Newaygo	47,874	48,897	1,023	2.1	5,228	3,520	1,708	3.6	-398	-0.8
Oakland	1,194,156	1,202,174	8,018	0.7	124,457	74,140	50,317	4.2	-37,459	-3.1
Oceana	26,873	27,598	725	2.7	3,169	1,912	1,257	4.7	-335	-1.2
Ogemaw	21,645	21,016	-629	-2.9	1,773	2,456	-683	-3.2	203	0.9
Ontonagon	7,818	6,819	-999	-12.8	396	904	-508	-6.5	-453	-5.8
Osceola	23,197	22,930	-267	-1.2	2,513	1,815	698	3.0	-812	-3.5
Oscoda	9,418	8,836	-582	-6.2	734	951	-217	-2.3	-286	-3.0
Otsego	23,301	23,808	507	2.2	2,353	1,770	583	2.5	55	0.2
Ottawa	238,314	260,364	22,050	9.3	29,765	12,344	17,421	7.3	5,818	2.4
Presque Isle	14,411	13,650	-761	-5.3	1,018	1,472	-454	-3.2	-239	-1.7
Roscommon	25,469	25,042	-427	-1.7	1,689	3,032	-1,343	-5.3	1,043	4.1
Saginaw	210,042	200,745	-9,297	-4.4	21,938	17,001	4,937	2.4	-13,439	-6.4
St. Clair	164,235	168,894	4,659	2.8	17,049	12,141	4,908	3.0	513	0.3
St. Joseph	62,422	62,232	-190	-0.3	7,800	4,759	3,041	4.9	-2,892	-4.6
Sanilac	44,547	43,024	-1,523	-3.4	4,426	3,768	658	1.5	-1,912	-4.3
Schoolcraft	8,903	8,220	-683	-7.7	634	941	-307	-3.4	-337	-3.8
Shiawassee	71,687	70,880	-807	-1.1	7,316	5,056	2,260	3.2	-2,699	-3.8
Tuscola	58,266	56,187	-2,079	-3.6	5,562	4,399	1,163	2.0	-2,967	-5.1
Van Buren	76,263	77,801	1,538	2.0	8,632	5,613	3,019	4.0	-1,062	-1.4
Washtenaw	322,770	347,376	24,606	7.6	34,866	15,270	19,596	6.1	6,708	2.1
Wayne	2,061,162	1,949,929	-111,233	-5.4	236,287	158,230	78,057	3.8	-237,155	-11.5
Wexford	30,484	31,673	1,189	3.9	3,374	2,491	883	2.9	477	1.6

Source: U.S. Census Bureau

- Notes: 1. The change in population includes the movement of federal employees and their dependents into and out of the United States. The difference between the change in population and the sum of natural increase and net migration for the U.S. is this movement of federal employees.
2. The estimated components of population change for subnational units produce a residual that is not displayed and the sum of natural increase

Table A-25
U.S. POPULATION, RANKED BY STATE

	2000 Census	2000 Rank	2008 Estimates	2008 Rank	Percent Increase 2000-2008	Rank
United States	281,424,602		304,059,724		8.0	
Alabama	4,447,355	23	4,661,900	23	4.8	32
Alaska	626,931	48	686,293	47	9.5	15
Arizona	5,130,607	20	6,500,180	14	26.7	2
Arkansas	2,673,386	33	2,855,390	32	6.8	21
California	33,871,650	1	36,756,666	1	8.5	18
Colorado	4,302,015	24	4,939,456	22	14.8	7
Connecticut	3,405,604	29	3,501,252	29	2.8	40
Delaware	783,595	45	873,092	45	11.4	11
District of Columbia	572,053	50	591,833	50	3.5	36
Florida	15,982,813	4	18,328,340	4	14.7	8
Georgia	8,186,812	10	9,685,744	9	18.3	4
Hawaii	1,211,538	42	1,288,198	42	6.3	25
Idaho	1,293,955	39	1,523,816	39	17.8	5
Illinois	12,419,660	5	12,901,563	5	3.9	35
Indiana	6,080,522	14	6,376,792	16	4.9	31
Iowa	2,926,381	30	3,002,555	30	2.6	42
Kansas	2,688,816	32	2,802,134	33	4.2	34
Kentucky	4,042,284	25	4,269,245	26	5.6	28
Louisiana	4,468,968	22	4,410,796	25	-1.3	51
Maine	1,274,922	40	1,316,456	40	3.3	38
Maryland	5,296,516	19	5,633,597	19	6.4	24
Massachusetts	6,349,113	13	6,497,967	15	2.3	43
Michigan	9,938,492	8	10,003,422	8	0.7	47
Minnesota	4,919,492	21	5,220,393	21	6.1	26
Mississippi	2,844,666	31	2,938,618	31	3.3	37
Missouri	5,596,678	17	5,911,605	18	5.6	27
Montana	902,190	44	967,440	44	7.2	20
Nebraska	1,711,266	38	1,783,432	38	4.2	33
Nevada	1,998,257	35	2,600,167	35	30.1	1
New Hampshire	1,235,785	41	1,315,809	41	6.5	23
New Jersey	8,414,360	9	8,682,661	11	3.2	39
New Mexico	1,819,041	36	1,984,356	36	9.1	17
New York	18,976,816	3	19,490,297	3	2.7	41
North Carolina	8,046,500	11	9,222,414	10	14.6	9
North Dakota	642,195	47	641,481	48	-0.1	50
Ohio	11,353,160	7	11,485,910	7	1.2	46
Oklahoma	3,450,640	27	3,642,361	28	5.6	29
Oregon	3,421,437	28	3,790,060	27	10.8	13
Pennsylvania	12,281,052	6	12,448,279	6	1.4	45
Rhode Island	1,048,319	43	1,050,788	43	0.2	49
South Carolina	4,011,809	26	4,479,800	24	11.7	10
South Dakota	754,837	46	804,194	46	6.5	22
Tennessee	5,689,270	16	6,214,888	17	9.2	16
Texas	20,851,811	2	24,326,974	2	16.7	6
Utah	2,233,204	34	2,736,424	34	22.5	3
Vermont	608,826	49	621,270	49	2.0	44
Virginia	7,079,025	12	7,769,089	12	9.7	14
Washington	5,894,143	15	6,549,224	13	11.1	12
West Virginia	1,808,345	37	1,814,468	37	0.3	48
Wisconsin	5,363,708	18	5,627,967	20	4.9	30
Wyoming	493,782	51	532,668	51	7.9	19

Source: Population Estimates Program, Population Division, U.S. Census Bureau

Table A-26

U.S. MOTOR VEHICLE STOCKS, AGE, AND MICHIGAN VEHICLE REGISTRATIONS

Year	All New Registrations		Total US New Registrations	U.S. Stock of Auto (thousands still in use)	Median Age of U.S. Autos (in years)	U.S. Stock of Trucks (thousands still in use)	Median Age of U.S. Trucks (in years)
	Michigan	Percent of U.S.					
1970	550,593	5.4	10,178,381	89,309	4.9	18,748	5.9
1971	726,688	6.2	11,722,295	92,753	5.1	19,772	6.1
1972	758,168	5.8	13,001,746	96,949	5.1	21,262	6.0
1973	794,687	5.5	14,380,069	101,579	5.1	23,153	5.8
1974	625,996	5.5	11,358,012	104,898	5.2	24,598	5.6
1975	608,432	5.7	10,659,257	106,713	5.4	25,776	5.8
1976	763,526	6.0	12,809,494	110,351	5.5	27,720	5.8
1977	837,996	5.8	14,335,562	113,696	5.6	29,562	5.7
1978	872,939	5.9	14,909,444	116,575	5.7	31,703	5.8
1979	756,696	5.5	13,828,904	120,248	5.9	33,350	5.9
1980	533,877	4.8	11,237,714	121,724	6.0	33,637	6.3
1981	518,187	4.9	10,629,408	123,462	6.0	34,451	6.5
1982	465,802	4.6	10,184,813	123,698	6.2	35,253	6.8
1983	612,140	5.1	11,900,742	126,728	6.5	36,548	7.2
1984	729,119	5.1	14,162,441	127,867	6.7	38,047	7.4
1985	759,906	4.9	15,563,800	132,108	6.9	38,989	7.6
1986	784,266	4.9	15,940,863	135,431	7.0	40,166	7.7
1987	668,805	4.4	15,129,548	137,324	6.9	41,119	7.8
1988	706,085	4.5	15,691,031	141,252	6.8	42,259	7.1
1989	692,690	4.6	14,952,812	143,081	6.5	43,554	6.7
1990	650,560	4.7	13,901,719	143,550	6.5	44,479	6.5
1991	587,128	4.7	12,578,621	142,569	6.7	44,936	6.8
1992	619,054	4.8	12,866,695	144,213	7.0	45,504	7.2
1993	644,440	4.6	13,940,626	146,314	7.3	47,095	7.5
1994	731,748	4.8	15,257,126	133,930	7.5	63,445	7.5
1995	726,822	4.8	15,219,319	136,066	7.7	64,778	7.6
1996	755,782	4.9	15,486,087	129,728	7.9	75,940	7.7
1997	784,489	5.1	15,416,677	129,749	8.1	77,307	7.8
1998	812,050	5.1	15,774,253	131,839	8.3	79,062	7.6
1999	878,003	5.2	17,001,640	132,432	8.3	83,148	7.2
2000	816,701	4.7	17,556,615	133,621	8.3	87,108	6.7
2001	852,971	4.9	17,350,148	137,633	8.3	92,110	6.1
2002	816,914	4.9	16,839,626	134,605	8.4	92,939	6.6
2003	779,217	4.7	16,611,630	137,140	8.6	96,202	6.5
2004	712,788	4.2	16,866,824	137,908	8.9	101,430	6.4
2005	664,900	4.0	16,690,280	138,083	9.0	105,948	6.6
2006	693,741	4.2	16,564,575	136,894	9.2	109,857	6.8
2007	646,485	4.0	16,007,379	NA	9.2	NA	7.3

Note: Beginning in 1994, passenger vans and SUVs are included in the truck count (previously counted as cars).

Sources: Automotive News Market Data Book, Ward's Automotive Yearbook & MVMA Motor Vehicle Facts and Figures. Registration data from National Association of Auto Dealers 2001-2007. Auto and Truck Stock from Federal Highway Administration

Table A-27
U.S. MOTOR VEHICLE SALES

Year	Retail Auto Sales	Domestic Auto Sales	Sales of Auto Imports	Import Share of Total Auto Sales (percent)	Retail Truck Sales	Domestic Truck Sales	Import Share of Total Truck Sales (percent)
1974	8,851,956	7,448,921	1,403,035	15.8	2,687,924	2,511,771	6.6
1975	8,627,120	7,050,120	1,577,000	18.3	2,478,219	2,248,904	9.3
1976	10,099,573	8,606,573	1,493,000	14.8	3,181,254	2,943,872	7.5
1977	11,175,554	9,104,454	2,071,100	18.5	3,675,439	3,352,255	8.8
1978	11,308,498	9,307,998	2,000,500	17.7	4,109,079	3,773,166	8.2
1979	10,643,554	8,315,622	2,327,932	21.9	3,479,794	3,009,867	13.5
1980	8,975,209	6,578,275	2,396,934	26.7	2,487,239	2,000,669	19.6
1981	8,532,672	6,206,296	2,326,376	27.3	2,260,318	1,809,188	20.0
1982	7,978,177	5,756,660	2,221,517	27.8	2,559,881	2,145,947	16.2
1983	9,181,036	6,795,302	2,385,734	26.0	3,129,476	2,658,269	15.1
1984	10,332,669	7,951,517	2,441,713	23.6	3,883,555	3,475,416	10.5
1985	10,982,889	8,204,721	2,841,063	25.9	4,414,508	3,902,417	11.6
1986	11,408,910	8,214,662	3,248,579	28.5	4,617,506	3,921,408	15.1
1987	10,186,413	7,081,262	3,144,054	30.9	4,709,359	3,800,426	19.3
1988	10,544,154	7,501,095	3,068,738	29.1	4,878,312	4,168,256	14.6
1989	9,770,039	7,014,850	2,755,189	28.2	4,779,192	4,055,321	15.1
1990	9,295,741	6,842,733	2,453,008	26.4	4,591,077	3,836,052	16.4
1991	8,175,582	6,072,255	2,103,327	25.7	4,159,421	3,446,744	17.1
1992	8,210,627	6,216,488	1,994,139	24.3	4,674,589	4,001,927	14.4
1993	8,519,573	6,674,458	1,845,115	21.7	5,398,491	4,656,228	13.7
1994	8,991,347	7,181,975	1,809,372	20.1	6,097,787	5,702,913	6.5
1995	8,635,557	7,023,843	1,611,714	18.7	6,130,411	5,739,890	6.4
1996	8,529,124	7,139,884	1,389,240	16.3	6,611,099	6,169,877	6.7
1997	8,289,116	6,907,992	1,381,124	16.7	6,863,749	6,308,207	8.1
1998	8,183,412	6,756,804	1,426,608	17.4	7,408,381	6,739,619	9.0
1999	8,750,956	6,987,208	1,763,748	20.2	8,203,968	7,491,217	8.7
2000	9,005,099	6,940,286	2,064,813	22.9	8,397,387	7,621,004	9.2
2001	8,655,415	6,494,104	2,161,311	25.0	8,522,374	7,630,385	10.5
2002	8,316,763	6,012,235	2,304,528	27.7	8,531,311	7,550,006	11.5
2003	7,816,711	5,633,634	2,183,077	27.9	8,859,022	7,721,404	12.8
2004	7,738,956	5,502,663	2,236,293	28.9	9,175,183	8,023,945	12.5
2005	7,964,037	5,682,212	2,281,825	28.7	9,033,145	7,913,485	12.4
2006	8,131,438	5,706,510	2,424,928	29.8	8,430,044	7,152,286	15.2
2007	7,885,099	5,448,212	2,436,887	30.9	8,269,351	6,955,780	15.9

Note: Domestic sales include transplant (foreign company) vehicles produced in North America and sold in US.

Source: Automotive News Market Data Book

Table A-28
U.S. AND MICHIGAN MOTOR VEHICLE PRODUCTION

Year	U.S. Car Production	U.S. Truck Production	Total U.S. Production	Total World Production	U.S. Percent of World Production	Michigan Auto Production	Michigan Truck Production	Total Michigan Production	Michigan Percent of U.S. Production
1970	6,550,077	1,716,641	8,266,718	29,707,707	27.8	2,099,000	454,000	2,553,000	30.9
1975	6,740,584	2,250,507	8,991,091	33,322,385	27.0	2,249,000	757,000	3,006,000	33.4
1980	6,416,885	1,593,489	8,010,374	38,837,519	20.6	1,731,501	443,125	2,174,626	27.1
1981	6,280,045	1,701,122	7,981,167	37,380,354	21.4	2,040,238	459,673	2,499,911	31.3
1982	4,973,870	1,902,164	6,876,034	36,433,276	18.9	1,817,456	577,142	2,394,598	34.8
1983	7,112,352	2,400,429	9,512,781	40,022,104	23.8	2,077,412	696,546	2,773,958	29.2
1984	7,777,721	3,146,356	10,924,077	42,159,635	25.9	2,138,844	873,452	3,012,296	27.6
1985	8,186,040	3,485,435	11,671,475	44,690,081	26.1	2,406,822	897,914	3,304,736	28.3
1986	7,829,697	3,543,168	11,372,865	45,156,013	25.2	2,626,299	782,155	3,408,454	30.0
1987	7,094,992	3,880,342	10,975,334	46,384,697	23.7	2,559,963	842,132	3,402,095	31.0
1988	7,129,420	4,132,729	11,262,149	47,670,728	23.6	2,389,431	822,213	3,211,644	28.5
1989	6,829,976	4,294,969	11,124,945	48,080,447	23.1	2,124,044	925,383	3,049,427	27.4
1990	6,079,192	3,808,844	9,888,036	50,375,116	19.6	1,945,632	751,129	2,696,761	27.3
1991	5,439,379	3,444,390	8,883,769	47,441,562	18.3	1,566,716	593,320	2,160,036	24.3
1992	5,655,781	4,119,195	9,784,976	49,442,510	19.8	1,688,034	756,354	2,444,388	25.0
1993	5,988,534	4,901,548	10,890,082	48,793,692	22.3	1,797,880	1,012,858	2,810,738	25.8
1994	6,609,523	5,707,176	12,316,699	51,745,907	23.8	2,145,905	1,264,398	3,410,303	27.7
1995	6,326,700	5,577,515	11,904,215	53,337,499	22.3	1,848,797	1,235,701	3,084,498	25.9
1996	6,055,939	5,658,812	11,714,751	53,270,933	22.0	1,845,163	1,053,919	2,899,082	24.7
1997	5,922,205	6,217,356	12,139,561	56,521,200	21.5	1,875,490	1,120,936	2,996,426	24.7
1998	5,549,500	6,480,603	12,030,103	53,841,408	22.3	1,717,388	1,065,940	2,783,328	23.1
1999	5,640,030	7,445,141	13,085,171	56,285,888	23.2	1,777,843	1,329,955	3,107,798	23.8
2000	5,542,475	7,289,185	12,831,660	59,703,849	21.5	1,841,551	1,251,084	3,092,635	24.1
2001	4,879,119	6,638,503	11,517,622	57,704,876	20.0	1,663,908	1,023,137	2,687,045	23.3
2002	5,027,425	7,300,881	12,328,306	60,292,567	20.4	1,792,277	1,103,271	2,895,548	23.5
2003	4,518,000	7,627,137	12,145,137	61,562,436	19.7	1,526,668	1,257,013	2,783,681	22.9
2004	4,236,736	7,784,480	12,021,216	65,654,367	18.3	1,257,830	1,338,482	2,596,312	21.6
2005	4,325,702	7,692,341	12,018,043	67,891,639	17.7	1,187,016	1,326,535	2,513,551	20.9
2006	4,372,196	6,979,093	11,351,289	70,992,079	16.0	1,116,159	1,159,110	2,275,269	20.0
2007	3,924,266	6,899,157	10,823,423	74,647,260	14.5	1,009,174	1,322,045	2,331,219	21.5

Source: Automotive News Market Data Book & Michigan Department of Treasury

Table A-29

NEW PRIVATE HOUSING UNITS AUTHORIZED IN MICHIGAN MSAs

Year	Battle Creek	Benton Harbor	Detroit PMSA	Ann Arbor		Flint	Grand Rapids		Jackson	Kalamazoo	Lansing	Muskegon	Saginaw	MSA Total	Non-Metro Total	Michigan Total
				PMSA	PMSA		Rapids	Jackson								
1980	692	N/A	9,692	921	1,244	2,627	273	1,648	2,206	803	701	20,807	8,169	28,976		
1981	219	447	5,460	271	631	1,909	181	1,414	1,671	362	325	12,890	5,877	18,767		
1982	176	221	4,603	214	353	1,546	355	432	772	323	323	9,318	4,858	14,176		
1983	290	312	8,162	345	734	2,659	178	912	1,212	292	319	15,415	6,008	21,423		
1984	180	198	11,651	738	901	3,999	225	653	1,452	315	721	21,033	6,716	27,749		
1985	80	235	20,109	1,478	1,291	4,318	166	727	1,697	375	658	31,134	6,458	37,592		
1986	227	387	24,452	1,634	1,510	5,805	334	1,696	2,536	368	839	39,788	7,442	47,230		
1987	383	446	22,450	2,418	928	6,184	484	1,702	2,236	485	1,086	38,802	7,791	46,593		
1988	398	565	20,671	2,475	1,078	5,708	463	1,614	2,057	584	869	36,482	8,425	44,907		
1989	535	478	20,447	1,892	1,362	5,718	680	1,546	2,215	675	1,153	36,701	8,986	45,687		
1990	229	554	16,162	1,809	1,281	4,876	584	728	1,634	691	1,034	29,582	9,289	38,871		
1991	239	472	14,108	1,125	837	3,104	454	691	1,839	555	1,214	24,638	9,878	34,516		
1992	395	496	15,530	1,104	1,135	4,136	585	810	1,580	541	1,183	27,495	9,531	37,026		
1993	N/A	539	14,719	3,330	1,223	5,351	584	1,897	1,853	N/A	1,469	30,965	8,790	39,755		
1994	N/A	604	17,572	4,091	1,719	6,606	621	1,973	1,926	N/A	1,461	36,573	9,902	46,475		
1995	N/A	547	18,024	4,078	1,912	7,102	634	2,128	1,935	N/A	1,200	37,560	9,666	47,226		
1996	N/A	698	19,709	4,881	2,120	7,940	716	2,089	2,184	N/A	1,339	41,676	10,679	52,355		
1997	N/A	547	18,164	4,765	1,954	7,151	695	2,221	1,985	N/A	1,357	38,839	10,398	49,237		
1998	N/A	669	21,056	5,637	1,946	7,720	718	2,183	1,707	N/A	1,518	43,154	11,320	54,474		
1999	N/A	658	19,370	5,361	2,806	7,228	1,007	2,072	2,040	N/A	1,360	41,902	12,355	54,257		
2000	N/A	507	18,348	4,645	2,324	6,614	919	2,417	2,316	N/A	1,545	39,635	12,854	52,489		
2001	N/A	544	16,218	4,824	3,453	7,187	945	2,035	2,469	N/A	1,242	38,917	11,222	50,139		
2002	N/A	614	17,779	5,069	2,403	7,304	928	2,172	2,406	N/A	1,229	39,904	10,064	49,968		
2003	394	608	21,060	2,527	2,240	6,735	831	2,462	3,156	969	1,137	42,119	11,794	53,913		
2004	370	731	22,990	2,708	2,398	6,886	704	1,867	2,206	766	1,023	42,649	12,072	54,721		
2005	406	816	17,326	1,676	1,854	5,826	897	1,610	2,121	657	882	34,071	11,257	45,328		
2006	210	625	9,592	775	980	4,278	587	1,439	1,231	480	483	20,680	8,511	29,191		
2007	240	467	4,325	565	476	1,866	330	1,000	768	346	240	10,623	7,144	17,767		
2008	45	281	2,590	347	219	1,064	230	627	383	208	144	6,138	4,773	10,911		

(1) Starting in 1993, the Muskegon housing starts are included in the Grand Rapids total.

(2) Starting in 1993 the totals for Battle Creek and Kalamazoo were reported together.

(3) New area definitions were adopted beginning in 2003.

Source: U.S. Department of Commerce

Table A-30
MEDIAN PRICE OF EXISTING HOMES - MICHIGAN METROPOLITAN AREAS
1988 - 2008

Year	Detroit	Grand Rapids	Kalamazoo	Lansing - E. Lansing	U.S.	Midwest	CPI
1988	\$73,100	\$57,900	\$53,200	\$56,600	\$89,300	\$68,400	118.3
1989	73,700	64,200	57,200	59,800	89,500	71,800	124.0
1990	76,700	68,300	60,400	63,300	92,000	75,300	130.7
1991	80,600	70,700	64,900	66,700	97,100	79,500	136.2
1992	81,300	73,100	69,600	69,900	99,700	83,000	140.3
1993	86,000	76,500	71,100	73,200	103,100	86,000	144.5
1994	87,000	76,900	74,800	75,500	107,200	89,300	148.2
1995	98,200	80,600	82,200	79,800	110,500	94,800	152.4
1996	111,400	87,200	90,000	84,700	115,800	101,000	156.9
1997	119,600	93,600	97,200	89,600	121,800	107,000	160.5
1998	132,600	100,200	102,300	100,200	128,400	114,300	163.0
1999	140,000	106,700	110,900	105,200	133,300	119,600	166.6
2000	150,500	114,100	110,100	109,800	139,000	123,600	172.2
2001	160,000	121,000	115,500	118,900	147,800	130,200	177.1
2002	162,800	125,300	115,400	126,400	158,100	135,800	179.9
2003	164,400	129,900	123,400	133,600	180,200	143,700	184.0
2004	161,000	132,900	123,100	137,900	195,200	151,500	188.9
2005	163,800	137,800	121,100	142,200	219,000	168,300	195.3
2006	151,700	134,500	N/A	137,700	221,900	164,800	201.6
2007	140,300	129,400	N/A	126,800	217,900	161,400	207.3
2008	N/A	100,900	N/A	97,700	196,600	150,500	215.3
<u>Cumulative Percentage Change</u>							
2007 - 2008	-7.5%	-22.0%	N/A	-22.9%	-9.8%	-6.8%	3.8%
1999 - 2008	0.2%	-5.4%	9.2%	-7.1%	47.5%	25.8%	29.2%
1988 - 2008	91.9%	74.3%	127.6%	72.6%	120.2%	120.0%	82.0%
<u>Average Annual Percentage Change</u>							
1999 - 2008	0.0%	-0.6%	1.3%	-0.8%	4.4%	2.6%	2.9%
1988 - 1999	6.1%	5.7%	6.9%	5.8%	3.7%	5.2%	3.2%
1988 - 2008	3.5%	2.8%	4.7%	2.8%	4.0%	4.0%	3.0%

* The 2006 - 2008 values for the Kalamazoo area are unavailable. The 2005 value is used in comparisons of price changes.

The 2008 value for the Detroit area is unavailable. The 2007 value is used in comparisons of price changes.

Sources: National Association of Realtors and Bureau of Labor Statistics, U.S. Department of Labor

Table A-31
10-YEAR STATE OF MICHIGAN REVENUE HISTORY
(in Thousands)

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Taxes										
Sales	\$5,901,733	\$6,277,498	\$6,352,306	\$6,439,894	\$6,422,642	\$6,473,522	\$6,599,138	\$6,638,110	\$6,552,240	\$6,773,276
Personal Income	6,907,933	7,144,211	6,749,373	6,095,989	5,811,843	5,873,365	6,108,924	6,226,304	6,442,678	7,226,049
Amt Reported as Expenditures	486,100	502,100	532,800	615,100	707,800	702,700	815,300	834,000	883,400	931,600
Single Business	2,360,533	2,324,868	2,022,882	1,983,795	1,843,072	1,841,010	1,907,190	1,886,168	1,786,213	2,482,035
Use	1,283,017	1,355,389	1,333,607	1,306,365	1,229,838	1,316,504	1,402,399	1,413,758	1,380,375	1,377,077
State Education (Property)	1,273,459	1,381,420	1,489,552	1,583,660	2,127,513	1,824,493	1,914,629	2,003,527	2,080,977	2,079,703
Real Estate Transfer	261,696	257,093	252,894	253,075	275,513	317,480	313,548	297,680	237,483	169,835
Liquor, Beer, Wine, & Tobacco	739,972	736,859	732,673	808,225	1,035,322	1,142,217	1,330,759	1,324,189	1,288,335	1,235,753
Casino Gaming Wagering	NA	NA	75,415	91,915	90,945	99,455	145,811	155,461	159,363	129,684
Telephone and Telegraph	150,334	149,206	152,523	137,343	124,168	101,315	99,149	83,533	87,282	80,793
Insurance Company	199,463	191,946	200,756	227,081	231,076	230,272	249,524	219,538	223,754	223,198
Motor Vehicle and Fuel	1,784,970	1,829,979	1,852,964	1,917,481	1,946,225	2,015,567	1,942,450	1,932,043	1,909,146	1,852,884
Quality Assur. Assessment	NA	NA	NA	NA	NA	325,188	509,857	676,923	827,776	1,023,766
Other	609,665	714,899	657,279	610,485	580,001	536,839	598,285	507,690	511,861	489,479
Total Taxes	21,958,875	22,865,469	22,405,023	22,070,408	22,425,957	22,799,928	23,936,964	24,198,924	24,370,884	26,075,135
Federal Agencies	7,902,699	8,571,625	9,566,353	10,202,344	10,812,852	11,579,388	11,974,006	12,160,022	12,655,930	13,432,638
Local Agencies	183,822	173,882	227,996	248,867	230,728	239,815	262,875	124,101	139,429	126,550
Spec Medicaid Reimb	690,799	1,059,343	1,155,374	1,109,233	932,658	704,551	467,970	93,621	102,670	115,797
Services	113,415	110,294	115,346	121,849	121,198	148,140	264,957	269,593	284,370	291,380
Licenses and Permits	383,778	393,006	391,655	408,746	417,786	555,858	423,501	437,560	444,841	441,407
Miscellaneous	769,236	1,032,248	1,281,281	1,150,187	1,390,001	1,109,630	1,371,999	1,457,623	1,510,134	1,549,016
Total Revenue	\$32,002,624	\$34,205,867	\$35,143,027	\$35,311,635	\$36,331,180	\$37,137,308	\$38,702,270	\$38,741,444	\$39,508,258	\$42,031,923

Source: 2008 State of Michigan Comprehensive Annual Financial Report

Notes:

1. Beginning in fiscal year 1996-97, the State began reporting the federal share of child support collections as federal revenue, rather than as miscellaneous revenue. Prior year amounts have been reclassified.
2. Beginning in fiscal year 1997-98, the State began reporting real estate transfer tax separately from State education (property) tax. Amounts of the real estate transfer tax for years prior to 1997-98 are not available.
3. Beginning in fiscal year 2003-2004, the State began reporting quality assurance assessment revenue as a tax revenue rather than as miscellaneous revenue. Amounts for years prior to 2003-2004 are not available.
4. Beginning in fiscal year 2004-2005, the state began reporting charges for providing vehicle and driving services as revenue from services, rather than licenses and permits. Amounts for years prior to 2004-2005 are not available.

Table A-32
STATE REVENUE LIMIT CALCULATION - ARTICLE IX SECTION 26
(in millions)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Total Revenue and Other Fin. Sources										
General, Special Revenue, and Permanent Funds	\$32,930.6	\$34,727.5	\$36,941.5	\$38,465.9	\$39,092.0	\$39,275.0	\$39,994.4	\$41,018.5	\$42,052.8	\$42,966.6
Less Statutory Exclusions										
Interfund transfers	(\$1,499.6)	(\$1,842.0)	(\$1,802.3)	(\$1,910.7)	(\$2,488.9)	(\$1,977.7)	(\$1,810.2)	(\$1,474.4)	(\$1,645.2)	(\$1,730.7)
Interfund borrowing costs	(\$21.1)	\$0.0	\$0.0	\$0.0	(\$14.1)	(\$11.0)	(\$10.8)	(\$27.2)	(\$24.6)	(\$17.0)
Proceeds from bonds and notes	(\$251.5)	\$0.0	(\$82.1)	(\$854.2)	(\$424.5)	(\$352.3)	(\$405.9)	(\$182.4)	(\$1,004.8)	(\$1,026.8)
Financing from capital leases	(\$29.0)	(\$57.6)	(\$22.3)	(\$23.0)	(\$237.3)	(\$16.1)	(\$19.7)	(\$6.8)	(\$34.1)	(\$20.9)
Federal revenue	(\$7,679.5)	(\$7,902.7)	(\$8,571.6)	(\$9,383.9)	(\$10,009.0)	(\$10,622.4)	(\$11,392.4)	(\$11,819.2)	(\$11,986.4)	(\$12,455.0)
Debt service	(\$63.8)	(\$79.8)	(\$85.6)	(\$91.4)	(\$96.7)	(\$18.8)	(\$112.8)	(\$111.6)	(\$115.0)	(\$141.2)
Property tax credits	(\$459.2)	(\$469.6)	(\$484.7)	(\$516.2)	(\$600.0)	(\$706.5)	(\$701.5)	(\$813.8)	(\$832.6)	(\$882.1)
Other statutory exclusions										
Special Medicaid reimb.	NA	(\$690.8)	(\$1,059.3)	(\$1,155.4)	(\$1,109.2)	(\$932.7)	(\$704.6)	(\$468.0)	(\$93.6)	(\$102.7)
Out of period tax refunds	NA	(\$145.4)	NA	NA	NA	NA	NA	NA	NA	NA
Tobacco settlement reimb.	NA	NA	(\$244.6)	(\$261.2)	(\$328.1)	(\$326.0)	(\$273.6)	(\$277.4)	(\$251.5)	(\$266.5)
Prior year expenditure reimb.	NA	(\$215.2)	(\$106.8)	(\$277.5)	(\$138.3)	(\$125.5)	(\$94.6)	(\$133.3)	(\$124.4)	(\$111.9)
Other exclusions	(\$878.0)	(\$148.4)	(\$146.4)	(\$110.3)	(\$152.4)	(\$174.4)	(\$130.5)	(\$138.9)	(\$180.2)	(\$150.5)
Total Exclusions	<u>(\$10,881.7)</u>	<u>(\$11,551.5)</u>	<u>(\$12,605.9)</u>	<u>(\$14,584.0)</u>	<u>(\$15,598.6)</u>	<u>(\$15,263.2)</u>	<u>(\$15,656.6)</u>	<u>(\$15,453.0)</u>	<u>(\$16,292.4)</u>	<u>(\$16,905.3)</u>
Additions										
Nonrefundable tax credits	\$23.4	\$25.9	\$27.3	\$27.3	\$52.7	\$49.8	\$46.8	\$61.3	\$53.8	\$57.1
Equity Transfer From Other Funds	\$0.0	\$6.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Additions	<u>\$23.4</u>	<u>\$32.4</u>	<u>\$27.3</u>	<u>\$27.3</u>	<u>\$52.7</u>	<u>\$49.8</u>	<u>\$46.8</u>	<u>\$61.3</u>	<u>\$53.8</u>	<u>\$57.1</u>
Total Revenue Subject to Limitation	<u>\$22,072.3</u>	<u>\$23,208.5</u>	<u>\$24,362.9</u>	<u>\$23,909.2</u>	<u>\$23,546.0</u>	<u>\$24,061.6</u>	<u>\$24,384.7</u>	<u>\$25,626.8</u>	<u>\$25,814.1</u>	<u>\$26,118.4</u>
Personal Income	\$239,330.0	\$244,329.0	\$255,039.0	\$277,296.0	\$289,390.0	\$297,609.0	\$303,745.0	\$314,460.0	\$324,134.0	\$331,304.0
Section 26 Base Ratio	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>	<u>9.49%</u>
Section 26 Revenue Limit	<u>\$22,712.4</u>	<u>\$23,186.8</u>	<u>\$24,203.2</u>	<u>\$26,315.4</u>	<u>\$27,463.1</u>	<u>\$28,243.1</u>	<u>\$28,825.4</u>	<u>\$29,842.3</u>	<u>\$30,760.3</u>	<u>\$31,440.7</u>
Amount Over (Under) Limit	(\$640.1)	\$21.7	\$159.7	(\$2,406.2)	(\$3,917.1)	(\$4,181.5)	(\$4,440.7)	(\$4,215.5)	(\$4,946.2)	(\$5,322.3)

Source: Michigan Department of Management and Budget, annual "Statement of Revenue Subject to Constitutional Limitation - Legal Basis"

Notes:

1. The State Revenue Limit calculation is performed in accordance with Article IX Section 26 of the State Constitution. Public Act 504 provides the statutory language to implement this provision. Detailed information on the calculation can be found in the annual "Statement of Revenue Subject to Constitutional Limitation - Legal Basis" published by the Department of Management and Budget.
2. State revenues are compared to personal income for the calendar year ending in the preceding fiscal year. For example, FY 2007 revenues are compared to CY 2005 personal income.

Table A-33
Counter Cyclical Budget and Economic Stabilization Fund
(in millions)

Fiscal Year	Unreserved Beginning Balance	Interest Income	Funds Unrestricted and Deposits	Withdrawals/Transfers			Restricted for Future Use	Unreserved Ending Balance	
				To General Fund	To School Aid Fund	To Other			Total Withdrawals
1996	\$987.9	\$59.2	\$96.4	\$0.0	\$0.0	\$0.0	\$0.0	(\$529.1)	\$614.5
1997	\$614.5	\$67.8	\$10.0	\$0.0	\$0.0	(\$69.0)	(\$69.0)	(\$43.5)	\$579.8
1998	\$579.8	\$60.1	\$572.6	\$0.0	(\$212.0)	\$0.0	(\$212.0)	\$0.0	\$1,000.5
1999	\$1,000.5	\$51.2	\$244.4	\$0.0	(\$73.7)	\$0.0	(\$73.7)	\$0.0	\$1,222.5
2000	\$1,222.5	\$74.0	\$100.0	\$0.0	(\$32.0)	(\$100.0)	(\$132.0)	\$0.0	\$1,264.4
2001	\$1,264.4	\$66.7	\$0.0	(\$270.0)	(\$32.0)	(\$35.0)	(\$337.0)	\$0.0	\$994.2
2002	\$994.2	\$20.8	\$0.0	(\$452.8)	(\$382.0)	(\$35.0)	(\$869.8)	\$0.0	\$145.2
2003	\$145.2	\$1.8	\$9.1	(\$124.1)	(\$32.0)	\$0.0	(\$156.1)	\$0.0	\$0.0
2004	\$0.0	\$0.0	\$81.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$81.3
2005	\$81.3	\$2.0	\$0.0	(\$81.3)	\$0.0	\$0.0	(\$81.3)	\$0.0	\$2.0
2006	\$2.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.0
2007	\$2.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.1
2008	\$2.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.2

Source: *State of Michigan Comprehensive Annual Financial Report* - various years.

Notes:

1. The Counter-Cyclical Budget and Economic Stabilization Fund was created in 1977 to assist in stabilizing revenue during periods of economic recession. Provisions for depositing and withdrawing revenue from the fund are outlined in Public Act 431 of 1984.
2. In FY 1998, \$572.6 million in fund balance was reclassified from reserved to unreserved.

Table A-34

MICHIGAN REAL PROPERTY STATE EQUALIZED VALUE (SEV) BY CLASS

Year	Agriculture	Commercial	Industrial	Residential	Timber C-O & Developmental	Total
1970	\$2,428,073,382	\$4,479,110,556	\$4,354,130,433	\$18,410,274,820	\$152,082,388	\$29,823,671,579
1975	3,680,674,772	7,251,964,454	5,824,753,617	27,679,961,125	289,724,453	44,727,078,421
1980	6,328,135,948	10,633,386,181	8,181,599,425	46,669,303,911	687,806,033	72,500,231,498
1981	6,851,013,534	11,556,372,899	9,124,359,043	53,018,207,770	942,396,029	81,492,349,275
1982	7,378,223,333	12,186,372,328	9,418,002,354	57,491,186,325	713,635,476	87,187,419,816
1983	7,429,329,879	12,465,415,642	9,452,673,269	56,977,602,048	715,817,303	87,040,838,141
1984	7,458,643,844	12,743,237,220	9,535,645,848	58,002,894,224	706,006,694	88,446,427,830
1985	7,403,969,514	13,515,504,501	9,867,244,730	59,069,664,700	669,109,288	90,525,492,733
1986	6,955,160,741	14,310,467,355	10,185,813,823	60,682,211,801	643,137,297	92,776,791,017
1987	6,215,406,320	15,738,555,140	10,529,154,262	63,653,297,519	617,088,343	96,753,501,584
1988	5,928,883,663	17,510,768,606	10,848,169,099	68,850,921,971	592,667,638	103,731,410,977
1989	5,904,588,144	19,315,639,740	11,417,842,888	75,467,133,491	603,609,682	112,708,813,945
1990	6,057,234,906	21,188,659,057	11,989,304,264	82,927,523,932	627,789,664	122,790,511,823
1991	6,213,137,932	22,554,363,038	12,301,807,180	90,600,239,418	640,059,826	132,309,607,394
1992	6,216,847,066	22,937,093,145	12,589,064,977	92,403,947,226	646,221,390	134,793,173,804
1993	6,582,382,596	23,876,568,014	12,854,175,802	103,938,971,556	639,358,539	147,891,456,507
1994	6,799,329,607	24,519,576,429	12,981,984,517	109,571,673,457	596,842,312	154,469,406,322
1995	7,025,495,741	25,507,399,601	13,460,660,268	117,188,134,392	640,848,243	163,822,538,245
1996	7,435,695,481	26,883,408,611	13,994,870,592	127,044,516,355	612,804,827	175,971,295,866
1997	8,086,317,160	28,796,350,519	14,619,079,321	138,923,304,960	624,455,887	191,049,507,847
1998	8,862,077,578	31,168,447,882	15,283,082,298	154,188,734,247	629,865,773	210,132,207,778
1999	9,746,360,963	34,175,427,581	16,480,050,259	170,817,572,582	692,089,570	231,911,500,955
2000	10,704,606,830	37,747,704,809	17,496,791,093	188,828,676,626	815,959,950	255,593,739,308
2001	11,884,000,757	42,041,985,038	18,529,852,114	209,546,590,808	844,312,395	282,846,741,112
2002	13,382,059,973	46,474,852,558	20,553,734,463	231,990,810,111	942,964,009	313,344,421,114
2003	14,490,357,406	50,419,526,422	22,918,860,554	251,936,860,990	1,015,134,265	340,780,739,637
2004	15,898,969,406	53,021,398,105	23,776,959,348	270,087,361,385	914,305,835	363,698,994,079
2005	17,079,396,204	56,219,954,715	24,824,342,675	287,801,333,413	980,091,883	386,905,118,890
2006	16,624,024,168	59,155,491,285	25,387,479,560	305,585,093,273	1,032,254,787	407,784,343,073
2007	17,653,875,255	61,995,642,365	25,813,944,008	317,605,998,910	1,014,130,857	424,083,591,395
2008	18,369,467,555	63,509,675,879	25,230,786,539	311,300,442,322	1,015,521,010	419,425,893,305

Source: Michigan State Tax Commission

Table A-35

MICHIGAN REAL PROPERTY TAXABLE VALUE (TV) BY CLASS

<u>Year</u>	<u>Agriculture</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Residential</u>	<u>Timber C-O & Developmental</u>	<u>Total</u>
1995	\$6,772,340,174	\$25,090,256,525	\$13,369,455,314	\$114,130,278,690	\$600,961,686	\$159,963,292,389
1996	6,886,644,243	26,020,863,515	13,783,807,105	120,193,852,842	543,749,711	167,428,917,416
1997	7,049,764,809	27,350,534,023	14,319,968,643	127,861,808,955	523,790,218	177,105,866,648
1998	7,231,720,846	28,935,085,319	14,877,078,650	136,440,825,049	488,005,705	187,972,715,569
1999	7,334,070,027	30,616,828,483	15,680,530,909	144,918,791,677	496,009,363	199,046,230,459
2000	7,464,131,975	32,803,392,665	16,340,045,165	154,838,574,448	506,218,455	211,952,362,708
2001	7,685,747,400	35,302,959,948	17,011,716,807	167,456,216,312	495,207,172	227,951,847,639
2002	7,910,624,969	37,625,005,929	18,082,510,606	180,641,155,820	492,991,992	244,752,289,316
2003	8,025,165,638	39,673,211,156	19,689,070,248	191,724,452,369	486,080,066	259,597,979,477
2004	8,187,227,815	41,568,134,188	20,403,101,673	205,347,396,782	418,103,392	275,923,963,850
2005	8,383,477,970	43,823,673,918	20,944,247,274	219,514,861,235	412,540,863	293,078,801,260
2006	8,318,089,411	46,241,418,568	21,548,522,986	235,415,312,805	426,363,187	311,949,706,957
2007	8,709,496,551	49,075,109,720	22,193,254,919	248,796,215,888	432,878,812	329,206,955,890
2008	8,937,131,620	50,977,967,234	22,019,304,087	252,177,036,720	436,920,446	334,548,360,107

Source: Michigan State Tax Commission

Table A-36

MICHIGAN PERSONAL PROPERTY STATE EQUALIZED VALUE (SEV) BY CLASS

<u>Year</u>	<u>Agriculture</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Residential</u>	<u>Utility</u>	<u>Total</u>
1970	\$74,778	\$1,960,836,449	\$5,005,599,046	\$26,296,146	\$1,757,356,482	\$8,750,162,901
1971	94,686	2,060,693,881	5,128,931,506	27,807,650	1,847,296,876	9,064,824,599
1972	80,064	2,134,366,046	5,227,795,300	28,592,264	1,979,750,787	9,370,584,461
1973	128,156	2,328,516,373	5,417,026,545	32,384,384	2,143,642,638	9,921,698,096
1974	207,163	2,591,166,371	5,812,222,781	36,173,370	2,379,939,037	10,819,708,722
1975	204,494	2,844,516,638	6,551,055,713	39,285,910	2,652,494,463	12,087,557,218
1976	199,605	1,524,568,091	3,568,938,839	42,203,838	2,402,751,114	7,538,661,487
1977	261,790	1,621,573,625	3,702,836,647	44,002,603	2,528,988,905	7,897,663,570
1978	255,864	1,781,876,984	4,029,145,367	52,710,272	2,690,893,405	8,554,881,892
1979	279,328	1,971,939,226	4,304,285,432	54,087,484	2,926,809,276	9,257,400,746
1980	258,028	2,213,845,812	4,667,437,859	63,271,040	3,201,005,728	10,145,818,467
1981	490,114	2,458,616,916	4,753,688,798	61,383,795	3,292,605,897	10,566,785,520
1982	294,784	2,662,733,997	4,829,682,933	61,639,336	3,468,291,966	11,022,643,016
1983	655,831	2,814,352,083	4,754,502,733	59,061,371	3,674,349,279	11,302,921,297
1984	497,858	3,043,079,274	4,791,167,816	58,468,096	3,831,915,969	11,725,129,013
1985	500,785	3,481,144,373	5,104,870,618	57,335,215	3,626,411,968	12,270,262,959
1986	500,674	4,049,912,308	5,617,195,016	58,390,922	3,739,638,867	13,465,637,787
1987	477,606	4,529,439,608	6,037,600,585	59,371,314	3,874,328,298	14,501,217,411
1988	451,565	4,822,390,939	6,292,075,894	64,063,434	4,179,176,198	15,358,158,030
1989	384,496	5,215,475,694	6,576,500,524	65,574,814	4,246,472,974	16,104,408,501
1990	406,188	5,740,454,890	7,034,212,471	68,371,182	4,536,758,536	17,380,203,267
1991	426,726	6,016,387,985	7,357,311,190	69,102,132	5,107,407,964	18,550,635,997
1992	392,853	6,202,156,217	7,801,791,590	70,546,736	5,416,256,931	19,491,144,328
1993	429,993	6,166,779,871	8,030,127,096	82,215,346	5,706,113,789	19,985,666,094
1994	450,795	6,483,770,764	8,523,103,654	83,532,191	5,980,041,780	21,070,899,184
1995	477,348	6,955,501,140	9,201,211,359	87,585,098	6,327,571,639	22,572,346,584
1996	474,703	7,635,309,034	10,024,281,929	96,608,358	6,614,274,529	24,370,948,553
1997	470,474	8,352,340,457	10,520,476,765	125,506,099	6,697,034,543	25,695,828,338
1998	494,174	9,065,147,068	11,212,822,145	138,096,206	6,867,203,311	27,283,762,904
1999	556,817	10,165,416,542	11,690,259,928	159,036,255	7,075,388,966	29,090,658,508
2000	502,346	10,064,669,728	11,362,739,372	177,162,084	7,228,024,777	28,833,098,307
2001	489,918	10,676,596,309	11,613,457,215	195,349,848	7,563,403,425	30,049,296,715
2002	485,349	11,071,625,733	11,450,226,423	202,209,747	7,646,285,046	30,370,832,298
2003	NA	10,731,702,713	11,084,309,268	4,600,538	6,923,945,171	28,744,557,690
2004	NA	10,514,806,656	10,870,737,710	3,433,197	7,534,944,015	28,923,921,578
2005	NA	10,551,792,134	10,969,810,432	3,704,641	7,366,465,309	28,891,772,516
2006	NA	10,638,600,486	11,029,949,532	1,236,965	6,967,124,890	28,636,911,872
2007	NA	10,827,802,425	10,984,991,926	132,759	7,212,191,169	29,025,118,279
2008	NA	10,315,104,334	11,111,789,831	60,831	7,286,692,400	28,713,647,396

Note: Beginning in 2003, buildings on leased land for residential and agricultural property are assessed as real property.
See MCL 211.34c.

Source: Michigan State Tax Commission

Table A-37

MICHIGAN REAL AND PERSONAL PROPERTY VALUES, TAXES AND TAX RATES

(Dollar amounts in thousands)

Year	Assessed Valuation	County	State	Tax Levy		Average Tax Rate	
		Equalized Valuation	Equalized Valuation	Amount	Percent Change	Millage	Percent Change
1970	\$32,954,101	\$38,553,759	\$38,551,597	\$1,874,291	12.9	48.62	2.7
1971	36,593,349	41,562,933	41,648,959	2,063,280	10.1	49.54	1.9
1972	39,814,568	44,347,772	44,487,728	2,183,224	5.8	49.07	(0.9)
1973	42,648,458	47,492,752	47,612,674	2,420,403	10.9	50.84	3.6
1974	47,269,245	51,747,552	51,871,329	2,649,594	9.5	51.08	0.5
1975	51,148,731	55,802,269	56,800,875	2,903,906	9.6	51.12	0.1
1976	49,905,386	54,232,820	55,478,935	2,960,724	2.0	53.37	4.4
1977	53,867,947	59,305,512	59,512,999	3,207,096	8.3	53.89	1.0
1978	58,353,692	64,724,020	64,863,929	3,484,874	8.7	53.73	(0.3)
1979	64,169,105	72,449,827	72,512,251	3,889,378	11.6	53.64	(0.2)
1980	71,724,553	82,087,269	82,581,103	4,411,378	13.4	53.42	(0.4)
1981	80,255,988	91,930,069	91,799,179	4,898,386	11.0	53.36	(0.1)
1982	95,623,614	96,742,630	98,139,884	5,172,518	5.6	52.71	(1.2)
1983	97,967,489	98,327,004	98,302,925	5,187,279	0.3	52.77	0.1
1984	99,987,771	100,169,325	100,151,842	5,374,275	3.6	53.66	1.7
1985	102,736,459	102,685,055	102,685,055	5,592,861	4.1	54.47	1.5
1986	106,340,390	106,251,911	106,154,935	5,851,019	4.6	55.12	1.2
1987	111,387,223	111,256,788	111,037,636	6,214,634	6.2	55.97	1.5
1988	119,027,768	119,087,279	119,013,924	6,761,056	8.8	56.81	1.5
1989	128,648,757	128,813,222	128,754,498	7,391,136	9.3	57.40	1.0
1990	139,920,677	140,165,655	139,901,357	7,998,491	8.2	57.17	(0.4)
1991	150,686,640	150,858,393	150,665,065	8,638,678	8.0	57.34	0.3
1992	154,265,530	154,284,318	153,928,613	8,941,685	3.5	58.09	1.3
1993	167,651,137	167,877,123	167,731,374	9,500,582	6.3	56.64	(2.5)
1994	175,280,413	175,550,496	175,195,104	6,690,701	(29.6)	38.19	(32.6)
1995	186,261,943	186,388,437	186,394,885	7,081,111	5.8	38.88	1.8
1996	200,246,250	200,341,063	200,341,063	7,536,108	6.4	39.32	1.1
1997	216,681,926	216,745,336	216,745,336	7,952,659	5.5	39.25	(0.2)
1998	237,410,262	237,410,262	237,415,971	8,449,614	6.2	39.27	0.1
1999	260,964,265	261,002,159	261,002,159	8,933,372	5.7	39.16	(0.3)
2000	284,331,483	284,426,838	284,426,838	9,462,264	5.9	39.32	0.4
2001	312,428,793	312,518,811	312,896,038	10,250,893	8.3	39.78	1.2
2002	343,577,370	343,714,996	343,715,252	11,033,307	7.6	40.17	1.0
2003	369,403,504	369,525,943	369,525,297	11,269,974	2.1	39.00	(2.9)
2004	392,561,906	392,621,446	392,622,129	12,190,160	8.2	40.00	2.6
2005	415,776,197	415,796,970	415,796,891	12,827,379	5.2	39.88	(0.3)
2006	436,293,871	436,421,637	436,421,255	13,598,087	6.0	39.96	0.2
2007	453,057,568	453,109,477	453,108,710	14,254,167	4.8	39.89	(0.2)

Source: Michigan State Tax Commission

Table A-38

MICHIGAN STATE EQUALIZED VALUE (TAXABLE VALUE), BY LOCAL UNIT OF GOVERNMENT

(Dollar amounts in thousands)

Year	City		Township		Village		Total	Total
	SEV/TV	% of Total	SEV/TV	% of Total	SEV/TV	% of Total	SEV/TV	% of Total
1970	\$22,745,472	59.0	\$15,806,125	41.0	\$911,325	2.4	\$38,551,598	100.0
1975	33,771,052	59.5	23,029,823	40.5	1,403,173	2.5	56,800,875	100.0
1980	42,833,547	51.9	39,747,556	48.1	2,115,574	2.6	82,581,103	100.0
1981	47,164,585	51.4	44,634,595	48.6	2,359,223	2.6	91,799,179	100.0
1982	49,958,916	50.9	48,180,968	49.1	2,535,173	2.6	98,139,884	100.0
1983	49,772,178	50.6	48,530,747	49.4	2,537,973	2.6	98,302,925	100.0
1984	50,620,737	50.5	49,531,105	49.5	2,587,959	2.6	100,151,842	100.0
1985	52,458,583	51.1	50,226,472	48.9	2,609,131	2.5	102,685,055	100.0
1986	54,421,806	51.3	51,733,129	48.7	2,706,699	2.5	106,154,935	100.0
1987	57,569,279	51.8	53,468,357	48.2	2,835,748	2.6	111,037,636	100.0
1988	61,857,908	52.0	57,156,016	48.0	3,034,572	2.5	119,013,924	100.0
1989	66,836,823	51.9	61,917,675	48.1	3,244,865	2.5	128,754,498	100.0
1990	72,266,851	51.7	67,634,506	48.3	3,525,406	2.5	139,901,357	100.0
1991	76,914,931	51.1	73,750,133	48.9	3,807,036	2.5	150,665,065	100.0
1992	78,017,505	50.7	75,911,108	49.3	3,875,338	2.5	153,928,613	100.0
1993	83,356,067	49.7	84,375,307	50.3	4,246,082	2.5	167,731,374	100.0
1994	86,063,830	49.1	89,131,274	50.9	4,441,626	2.5	175,195,104	100.0
1995	88,477,159	48.6	93,647,994	51.4	4,600,487	2.5	182,125,153	100.0
1996	92,621,682	48.3	99,058,877	51.7	4,786,935	2.5	191,680,559	100.0
1997	97,013,121	47.9	105,602,411	52.1	5,028,854	2.5	202,615,532	100.0
1998	102,061,718	47.4	113,117,389	52.6	5,380,576	2.5	215,179,108	100.0
1999	107,322,531	47.1	120,773,866	52.9	5,718,876	2.5	228,096,397	100.0
2000	111,930,043	46.5	128,717,446	53.5	6,062,413	2.5	240,647,490	100.0
2001	118,509,830	46.0	139,202,268	54.0	6,508,079	2.5	257,712,099	100.0
2002	124,862,873	45.5	149,789,303	54.5	6,877,505	2.5	274,652,176	100.0
2003	130,277,754	45.1	158,679,412	54.9	7,293,590	2.5	288,957,166	100.0
2004	135,175,888	44.4	169,540,096	55.6	7,560,152	2.5	304,715,984	100.0
2005	141,079,675	43.9	180,573,408	56.1	7,905,826	2.5	321,653,083	100.0
2006	147,724,774	43.4	192,609,668	56.6	8,470,420	2.5	340,334,443	100.0
2007	153,448,387	42.9	203,849,426	57.1	8,929,048	2.5	357,297,814	100.0

Source: Michigan State Tax Commission

Table A-39

MICHIGAN GENERAL PROPERTY TAXES, BY LOCAL UNIT OF GOVERNMENT

(Dollar amounts in thousands)

Year	School			City			County		
	Amount	% of Total	Millage	Amount	% of Total	Millage	Amount	% of Total	Millage
1970	\$1,167,313	62.3	30.28	\$417,563	22.3	18.36	\$240,247	12.8	6.23
1975	1,899,787	65.4	33.45	564,566	19.4	16.72	347,100	12.0	6.11
1980	3,009,469	68.2	36.44	736,985	16.7	17.21	504,460	11.4	6.11
1981	3,372,394	68.8	36.74	786,310	16.1	16.67	554,532	11.3	6.04
1982	3,588,710	69.4	36.57	811,269	15.7	16.24	581,142	11.2	5.92
1983	3,607,967	69.6	36.70	811,595	15.6	16.31	589,176	11.4	5.99
1984	3,761,002	70.0	37.55	829,252	15.4	16.38	602,935	11.2	6.02
1985	3,926,767	70.2	38.24	853,998	15.3	16.28	626,064	11.2	6.10
1986	4,102,395	70.1	38.65	899,262	15.4	16.52	651,462	11.1	6.14
1987	4,352,814	70.0	39.20	960,165	15.5	16.69	687,913	11.1	6.20
1988	4,761,210	70.4	40.01	1,013,834	15.0	16.40	756,858	11.2	6.36
1989	5,250,531	71.0	40.78	1,066,375	14.4	15.96	820,347	11.1	6.37
1990	5,704,489	71.3	40.78	1,125,805	14.1	15.59	893,985	11.2	6.39
1991	6,170,813	71.4	40.96	1,207,149	14.0	15.70	961,789	11.1	6.38
1992	6,411,139	71.7	41.65	1,231,699	13.8	15.79	988,422	11.1	6.42
1993	6,836,174	72.0	40.75	1,288,039	13.6	15.46	1,042,306	11.0	6.21
1994	3,865,697	57.8	22.07	1,355,455	20.3	15.75	1,098,218	16.4	6.27
1995	4,124,674	58.2	22.65	1,411,549	19.9	15.95	1,143,508	16.1	6.28
1996	4,398,167	58.4	22.95	1,487,390	19.7	16.06	1,219,794	16.2	6.36
1997	4,629,229	58.2	22.85	1,570,957	19.8	16.19	1,281,079	16.1	6.32
1998	4,918,068	58.2	22.86	1,655,572	19.6	16.22	1,356,051	16.0	6.30
1999	5,214,382	58.4	22.86	1,734,404	19.4	16.16	1,432,072	16.0	6.28
2000	5,522,820	58.4	22.95	1,829,966	19.3	16.35	1,509,459	16.0	6.27
2001	6,071,454	59.2	23.56	1,923,619	18.8	16.23	1,612,237	15.7	6.26
2002	6,569,395	59.5	23.92	2,016,791	18.3	16.15	1,726,576	15.6	6.29
2003	6,579,337	58.4	22.77	2,108,628	18.7	16.19	1,811,694	16.1	6.27
2004	7,261,965	59.6	23.83	2,178,717	17.9	16.12	1,918,051	15.7	6.29
2005	7,631,560	59.5	23.73	2,294,324	17.9	16.26	2,017,065	15.7	6.27
2006	8,052,036	59.2	23.66	2,426,969	17.8	16.43	2,166,548	15.9	6.37
2007	8,464,066	59.4	23.69	2,494,017	17.5	16.25	2,282,045	16.0	6.39

Source: Michigan State Tax Commission

Table A-39 (Continued)

Year	Township			Village			Total		
	Amount	% of Total	Millage	Amount	% of Total	Millage	Amount	% of Total	Millage
1970	\$38,954	2.1	2.46	\$10,214	0.5	11.21	\$1,874,292	100.0	48.62
1975	74,694	2.6	3.24	17,760	0.6	12.66	2,903,906	100.0	51.12
1980	134,302	3.0	3.38	26,163	0.6	12.37	4,411,378	100.0	53.42
1981	156,528	3.2	3.51	28,622	0.6	12.13	4,898,386	100.0	53.36
1982	161,779	3.1	3.36	29,618	0.6	11.68	5,172,518	100.0	52.71
1983	148,086	2.9	3.05	30,454	0.6	12.00	5,187,279	100.0	52.77
1984	149,591	2.8	3.02	31,400	0.6	12.17	5,374,180	100.0	53.66
1985	154,261	2.8	3.07	31,772	0.6	12.18	5,592,861	100.0	54.47
1986	164,583	2.8	3.18	33,317	0.6	12.31	5,851,019	100.0	55.12
1987	178,263	2.9	3.33	35,480	0.6	12.51	6,214,634	100.0	55.97
1988	191,005	2.8	3.34	38,149	0.6	12.57	6,761,056	100.0	56.81
1989	212,903	2.9	3.44	40,979	0.6	12.63	7,391,136	100.0	57.40
1990	230,587	2.9	3.41	43,625	0.5	12.37	7,998,491	100.0	57.17
1991	251,714	2.9	3.41	47,212	0.5	12.40	8,638,678	100.0	57.34
1992	262,086	2.9	3.45	48,338	0.5	12.47	8,941,685	100.0	58.09
1993	283,374	3.0	3.36	50,689	0.5	11.94	9,500,582	100.0	56.63
1994	317,464	4.7	3.56	53,867	0.8	12.13	6,690,701	100.0	38.19
1995	344,611	4.9	3.68	56,770	0.8	12.34	7,081,111	100.0	38.88
1996	370,704	4.9	3.74	60,054	0.8	12.55	7,536,108	100.0	39.32
1997	408,150	5.1	3.86	63,244	0.8	12.58	7,952,659	100.0	39.25
1998	454,170	5.4	4.02	65,753	0.8	12.22	8,449,614	100.0	39.27
1999	481,799	5.4	3.99	70,715	0.8	12.37	8,933,372	100.0	39.16
2000	526,049	5.6	4.09	73,970	0.8	12.20	9,462,264	100.0	39.32
2001	564,489	5.5	4.06	79,095	0.8	12.15	10,250,893	100.0	39.78
2002	637,405	5.8	4.26	83,140	0.8	12.09	11,033,307	100.0	40.17
2003	683,401	6.1	4.31	86,914	0.8	11.92	11,269,974	100.0	39.00
2004	743,252	6.1	4.38	88,175	0.7	11.66	12,190,160	100.0	40.00
2005	793,380	6.2	4.39	91,051	0.7	11.52	12,827,379	100.0	39.88
2006	856,411	6.3	4.45	96,123	0.7	11.35	13,598,087	100.0	39.96
2007	913,412	6.4	4.48	100,626	0.7	11.27	14,254,167	100.0	39.89

Source: Michigan State Tax Commission

Table A-40

MICHIGAN SCHOOL PROPERTY TAXES

(Dollar amounts in thousands)

Year	Operating Taxes			Debt, Building and Site Taxes			Total School Taxes		
	Amount	Percent of Total School Taxes	Millage Rate	Amount	Percent of Total School Taxes	Millage Rate	Amount	Total School Taxes as a Percent of Total Property Taxes	Total School Millage Rate
1970	\$989,878	84.8	25.7	\$177,436	15.2	4.6	\$1,167,313	62.3	30.3
1975	1,663,952	87.6	29.3	235,836	12.4	4.2	1,899,787	65.4	33.4
1980	2,710,253	90.1	32.8	299,216	9.9	3.6	3,009,469	68.2	36.4
1981	3,077,112	91.2	33.5	295,282	8.8	3.2	3,372,394	68.8	36.7
1982	3,293,604	91.8	33.6	295,106	8.2	3.0	3,588,710	69.4	36.6
1983	3,332,986	92.4	33.9	274,981	7.6	2.8	3,607,967	69.6	36.7
1984	3,483,596	92.6	34.8	277,406	7.4	2.8	3,761,002	70.0	37.6
1985	3,637,616	92.6	35.4	289,151	7.4	2.8	3,926,767	70.2	38.2
1986	3,806,997	92.8	35.9	295,399	7.2	2.8	4,102,395	70.1	38.6
1987	4,045,299	92.9	36.4	307,515	7.1	2.8	4,352,814	70.0	39.2
1988	4,439,589	93.2	37.3	321,621	6.8	2.7	4,761,210	70.4	40.0
1989	4,885,801	93.1	37.9	364,730	6.9	2.8	5,250,531	71.0	40.8
1990	5,340,031	93.6	38.2	364,459	6.4	2.6	5,704,489	71.3	40.8
1991	5,767,461	93.5	38.3	403,352	6.5	2.7	6,170,813	71.4	41.0
1992	5,976,316	93.2	38.8	434,823	6.8	2.8	6,411,139	71.70	41.7
1993	6,381,337	93.3	38.0	454,837	6.7	2.7	6,836,174	71.96	40.8
1994	3,411,942	88.3	19.5	453,755	11.7	2.6	3,865,697	57.78	22.1
1995	3,570,223	86.6	19.6	554,451	13.4	3.0	4,124,674	58.25	22.6
1996	3,759,071	85.5	19.6	639,096	14.5	3.3	4,398,167	58.36	22.9
1997	3,893,077	84.1	19.2	736,152	15.9	3.6	4,629,229	58.21	22.8
1998	4,113,183	83.6	19.1	804,886	16.4	3.7	4,918,068	58.20	22.9
1999	4,328,678	83.0	19.0	885,704	17.0	3.9	5,214,382	58.37	22.9
2000	4,536,968	82.1	18.9	985,852	17.9	4.1	5,522,820	58.37	22.9
2001	4,946,177	81.5	19.2	1,125,277	18.5	4.4	6,071,454	59.23	23.6
2002	5,308,668	80.8	19.3	1,260,727	19.2	4.6	6,569,395	59.54	23.9
2003	5,237,180	79.6	18.1	1,342,157	20.4	4.6	6,579,337	58.38	22.8
2004	5,820,709	80.2	19.1	1,441,256	19.8	4.7	7,261,965	59.57	23.8
2005	6,115,716	80.1	19.0	1,515,844	19.9	4.7	7,631,560	59.49	23.7
2006	6,446,590	80.1	18.9	1,605,447	19.9	4.7	8,052,036	59.21	23.7
2007	6,788,698	80.2	19.0	1,675,368	19.8	4.7	8,464,066	59.38	23.7

Source: Michigan State Tax Commission. Includes taxes levied by local school districts, ISDs, and community colleges.

Table A-41
HOMESTEAD PROPERTY TAX CREDIT
 (Number and amount in thousands)

Year		General	Senior Citizen	Veteran	Blind	Disabled	Farmland	Total
1978	Number	781.9	387.0	53.2	2.7	32.8	-	1,257.6
	Amount	\$163,430.1	\$147,391.7	\$10,554.0	\$548.4	\$6,684.5	-	\$328,608.7
	Average	\$209	\$381	\$198	\$203	\$204	-	\$261
1979	Number	862.7	385.8	52.5	3.1	32.4	5.4	1,341.9
	Amount	\$200,376.9	\$161,663.8	\$10,519.5	\$654.5	\$7,304.0	\$15,577.2	\$396,095.9
	Average	\$232	\$419	\$200	\$211	\$225	\$2,885	\$295
1980	Number	890.1	396.3	49.3	2.4	31.6	8.3	1,378.0
	Amount	\$245,832.0	\$181,608.1	\$9,964.7	\$503.1	\$7,702.3	\$24,271.7	\$469,881.9
	Average	\$276	\$458	\$202	\$210	\$244	\$2,924	\$341
1981	Number	975.4	402.9	44.8	2.5	30.9	12.0	1,468.5
	Amount	\$315,030.1	\$205,905.2	\$8,806.7	\$521.8	\$8,329.6	\$37,950.3	\$576,543.7
	Average	\$323	\$511	\$197	\$209	\$270	\$3,163	\$393
1982	Number	1,034.5	410.6	39.2	3.1	31.0	14.8	1,533.2
	Amount	\$359,751.8	\$224,438.4	\$7,888.4	\$633.1	\$8,789.3	\$53,638.1	\$655,139.1
	Average	\$348	\$547	\$201	\$204	\$284	\$3,624	\$427
1983	Number	986.0	418.8	37.6	2.5	26.7	15.1	1,486.7
	Amount	\$337,111.2	\$228,140.4	\$7,637.1	\$530.1	\$7,491.4	\$62,981.3	\$643,891.5
	Average	\$342	\$545	\$203	\$212	\$281	\$4,171	\$433
1984	Number	912.0	423.3	34.7	2.5	29.5	17.0	1,419.0
	Amount	\$311,823.0	\$229,545.5	\$7,198.1	\$521.8	\$8,419.8	\$71,674.6	\$629,182.8
	Average	\$342	\$542	\$207	\$209	\$285	\$4,216	\$433
1985	Number	846.9	439.4	32.1	2.0	22.8	18.2	1,361.4
	Amount	\$280,927.6	\$240,933.7	\$6,690.9	\$426.8	\$6,515.2	\$77,568.3	\$613,062.5
	Average	\$332	\$548	\$208	\$213	\$286	\$4,262	\$450
1986	Number	845.6	458.8	31.0	1.7	19.3	19.6	1,376.0
	Amount	\$277,762.5	\$255,597.4	\$6,430.1	\$383.3	\$5,438.2	\$71,464.8	\$617,076.3
	Average	\$328	\$557	\$207	\$225	\$282	\$3,646	\$448
1987	Number	854.6	467.9	25.2	2.0	23.4	17.3	1,390.4
	Amount	\$287,296.5	\$274,740.8	\$5,286.2	\$424.0	\$6,731.0	\$58,215.7	\$632,694.2
	Average	\$336	\$587	\$210	\$212	\$288	\$3,365	\$455
1988	Number	891.5	480.0	22.9	2.2	25.5	17.1	1,439.2
	Amount	\$322,357.5	\$296,508.7	\$4,955.3	\$485.2	\$7,983.0	\$54,932.5	\$687,222.2
	Average	\$362	\$618	\$216	\$221	\$313	\$3,212	\$478
1989	Number	927.6	493.1	22.8	1.9	25.4	16.7	1,487.5
	Amount	\$363,208.1	\$325,536.7	\$4,986.1	\$431.7	\$8,346.4	\$54,294.9	\$756,803.9
	Average	\$392	\$660	\$219	\$227	\$329	\$3,251	\$509
1990	Number	982.8	500.2	17.3	2.3	33.1	15.4	1,551.1
	Amount	\$401,845.8	\$348,082.8	\$3,685.0	\$517.9	\$11,684.8	\$53,278.1	\$819,094.4
	Average	\$409	\$696	\$213	\$225	\$353	\$3,460	\$528
1991	Number	1,085.3	534.9	17.1	2.1	30.7	15.6	1,685.7
	Amount	\$476,258.7	\$385,417.8	\$3,852.7	\$493.1	\$11,117.9	\$62,443.1	\$939,583.3
	Average	\$439	\$721	\$225	\$235	\$362	\$4,003	\$557
1992	Number	1,081.2	551.4	16.1	1.6	32.6	15.3	1,698.2
	Amount	\$468,983.7	\$406,505.3	\$3,565.2	\$363.6	\$11,940.8	\$60,452.1	\$951,810.7
	Average	\$434	\$737	\$221	\$227	\$366	\$3,951	\$560
1993	Number	1,122.3	568.5	16.2	1.4	31.4	15.1	1,754.9
	Amount	\$517,887.7	\$442,577.1	\$3,527.6	\$305.0	\$12,052.5	\$64,689.3	\$1,041,039.2
	Average	\$461	\$778	\$218	\$218	\$384	\$4,284	\$593
1994	Number	662.3	416.0	16.7	1.6	23.9	13.7	1,134.2
	Amount	\$194,591.9	\$213,210.7	\$2,139.0	\$205.6	\$6,358.4	\$18,883.9	\$435,389.5
	Average	\$294	\$513	\$128	\$129	\$266	\$1,378	\$384

Table A-41 (continued)

Year		General	Senior Citizen	Veteran	Blind	Disabled	Farmland	Total
1995	Number	658.2	396.9	17.0	1.7	25.1	12.1	1,111.0
	Amount	\$191,569.7	\$210,408.8	\$2,163.9	\$210.1	\$6,981.5	\$17,594.4	\$428,928.4
	Average	\$291	\$530	\$127	\$124	\$278	\$1,454	\$386
1996	Number	689.6	392.2	15.6	1.5	26.0	11.4	1,136.3
	Amount	\$208,123.4	\$215,534.1	\$1,999.7	\$191.3	\$6,766.3	\$18,895.2	\$451,510.0
	Average	\$302	\$550	\$128	\$128	\$260	\$1,657	\$397
1997	Number	700.1	387.0	15.1	2.0	28.8	8.2	1,141.2
	Amount	\$217,637.4	\$216,687.5	\$1,894.9	\$243.4	\$8,505.7	\$17,733.9	\$462,702.7
	Average	\$311	\$560	\$126	\$121	\$296	\$2,150	\$405
1998	Number	701.7	374.9	13.7	1.6	29.1	7.7	1,128.7
	Amount	\$222,668.0	\$218,225.7	\$1,729.5	\$194.4	\$8,836.7	\$18,018.6	\$469,673.0
	Average	\$317	\$582	\$126	\$124	\$303	\$2,332	\$416
1999	Number	722.0	372.3	12.7	1.9	28.6	7.2	1,144.7
	Amount	\$236,806.5	\$222,054.4	\$1,629.7	\$237.9	\$8,897.2	\$17,333.9	\$486,959.7
	Average	\$328	\$597	\$128	\$126	\$311	\$2,419	\$425
2000	Number	743.1	364.2	12.2	1.8	39.3	7.4	1,168.0
	Amount	\$256,411.6	\$220,132.0	\$1,511.1	\$219.7	\$19,288.0	\$19,051.1	\$516,613.4
	Average	\$345	\$604	\$124	\$124	\$490	\$2,587	\$442
2001	Number	815.0	381.8	11.4	1.6	44.1	9.5	1,263.5
	Amount	\$307,264.6	\$245,680.5	\$1,407.1	\$202.9	\$23,115.3	\$30,264.3	\$607,934.6
	Average	\$377	\$643	\$123	\$124	\$524	\$3,171	\$481
2002	Number	898.8	409.9	10.3	1.5	49.5	9.2	1,379.3
	Amount	\$370,010.1	\$283,828.7	\$1,286.4	\$185.4	\$27,271.5	\$31,572.0	\$714,154.2
	Average	\$412	\$692	\$125	\$121	\$551	\$3,417	\$518
2003	Number	928.7	413.1	10.0	1.3	53.0	8.6	1,414.8
	Amount	\$397,200.9	\$290,546.3	\$1,221.9	\$159.5	\$30,141.4	\$28,227.2	\$747,497.1
	Average	\$428	\$703	\$122	\$119	\$569	\$3,273	\$528
2004	Number	983.4	418.2	9.3	1.4	57.6	8.1	1,478.1
	Amount	\$441,451.7	\$304,368.7	\$1,183.0	\$170.4	\$34,040.6	\$29,965.3	\$811,179.8
	Average	\$449	\$728	\$127	\$124	\$591	\$3,677	\$549
2005	Number	1,002.3	416.4	9.1	1.4	59.6	8.1	1,497.0
	Amount	\$466,036.9	\$306,092.4	\$1,132.0	\$171.6	\$35,952.5	\$30,395.1	\$839,780.6
	Average	\$465	\$735	\$125	\$125	\$603	\$3,731	\$561
2006	Number	1,022.8	415.3	9.0	1.3	68.0	8.1	1,524.5
	Amount	\$495,083.6	\$308,300.2	\$1,150.5	\$168.6	\$42,392.9	\$32,560.0	\$879,655.8
	Average	\$484	\$742	\$129	\$130	\$623	\$4,022	\$577
2007	Number	1,053.4	429.5	9.0	1.3	79.1	8.0	1,580.3
	Amount	\$522,632.5	\$321,563.9	\$1,207.7	\$178.8	\$50,087.6	\$33,763.8	\$929,434.3
	Average	\$496	\$749	\$134	\$133	\$633	\$4,231	\$588

Notes: The disabled category includes paraplegic, quadriplegic and totally disabled individuals.

The farmland category has been in effect since 1974 but was included in the other categories until 1979.

Source: Michigan Department of Treasury

Table A-42
HISTORICAL DISTRIBUTIONS OF STATE REVENUE SHARING
By Type of Local Unit of Government
(in millions)

Fiscal Year	Counties	Townships	Cities	Villages	Total
1992	\$121.6	\$212.2	\$572.1	\$20.4	\$926.4
1993	153.5	212.5	644.9	21.6	1,032.4
1994	163.0	236.0	689.2	23.4	1,111.5
1995	174.7	239.7	731.2	24.0	1,169.5
1996	178.0	263.1	793.7	25.7	1,260.5
1997	190.9	277.5	814.9	26.4	1,309.7
1998	200.6	298.4	843.7	28.1	1,370.8
1999	200.6	307.0	852.1	28.7	1,388.4
2000	214.3	331.3	893.6	31.0	1,470.2
2001	228.7	381.3	911.7	33.7	1,555.5
2002	217.5	378.7	888.0	33.1	1,517.3
2003	202.6	370.2	846.7	31.9	1,451.4
2004	182.1	333.0	761.4	28.7	1,305.1
2005	0.0 (1)	331.1	754.0	27.8	1,112.9
2006	0.0 (1)	330.7	745.4	27.5	1,103.6
2007	0.0 (1)	321.5	722.9	26.7	1,071.1
2008	0.0 (1)	326.8	722.9	26.7	1,076.4

- (1) Starting in Fiscal Year 2005, county revenue sharing payments were suspended. Public Act 357 of 2004 provides a funding mechanism to serve as a substitute to county revenue sharing payments. This substitute funding mechanism involves a gradual shift of county property tax millage from a winter tax levy to a summer tax levy and additionally required counties to establish a restricted fund known as the Revenue Sharing Reserve Fund (RSRF). Counties were to deposit into the fund 1/3 of the county's December 2004 property tax levy in the 2005 through 2007 fiscal years. Counties would then annually draw from the fund the revenue sharing amount they received in the state's 2004 fiscal year adjusted annually for inflation. When a county's RSRF has been depleted, the county will once again receive revenue sharing payments from the state.

Amounts include constitutional & statutory revenue sharing, inventory reimbursements, special census payments and special grants (FY 2004, 2005, 2006, 2007 & 2008).

Individual amounts may not add to totals due to rounding.

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury

Table A-43
STATE AND LOCAL TAX BURDEN COMPARISONS, FY 2006

<u>State</u>	<u>FY 2006</u>		<u>FY 2006</u>		<u>FY 2006</u>		<u>Rank</u>
	<u>State & Local Taxes (thousands)</u>	<u>Population</u>	<u>State & Local Taxes Per Person</u>	<u>Rank</u>	<u>Personal Income (thousands)</u>	<u>Total Tax Revenue as a % of Income</u>	
Alabama	\$12,768,354	4,590,240	\$2,782	50	\$139,918,500	9.13%	47
Alaska	\$3,664,728	677,450	\$5,410	5	25,079,750	14.61%	3
Arizona	\$19,940,354	6,165,689	\$3,234	38	189,482,000	10.52%	37
Arkansas	\$8,747,018	2,809,111	\$3,114	44	77,432,500	11.30%	21
California	\$163,749,003	36,249,872	\$4,517	9	1,396,357,250	11.73%	13
Colorado	\$17,223,540	4,766,248	\$3,614	28	182,131,250	9.46%	45
Connecticut	\$19,871,967	3,495,753	\$5,685	3	172,895,750	11.49%	19
Delaware	\$3,618,436	852,747	\$4,243	14	32,519,000	11.13%	24
Florida	\$66,695,224	18,057,508	\$3,693	26	642,015,000	10.39%	40
Georgia	\$31,025,457	9,342,080	\$3,321	35	292,712,750	10.60%	35
Hawaii	\$6,199,404	1,278,635	\$4,848	6	45,771,500	13.54%	6
Idaho	\$4,502,606	1,463,878	\$3,076	45	42,099,500	10.70%	32
Illinois	\$52,144,334	12,777,042	\$4,081	15	477,462,750	10.92%	26
Indiana	\$22,950,381	6,302,646	\$3,641	27	198,516,750	11.56%	16
Iowa	\$10,256,456	2,972,566	\$3,450	31	95,831,250	10.70%	31
Kansas	\$10,451,865	2,755,817	\$3,793	22	92,666,750	11.28%	22
Kentucky	\$13,558,452	4,204,444	\$3,225	39	121,734,500	11.14%	23
Louisiana	\$15,723,965	4,243,288	\$3,706	25	114,629,500	13.72%	5
Maine	\$5,805,560	1,314,910	\$4,415	11	41,400,000	14.02%	4
Maryland	\$25,788,809	5,602,017	\$4,603	8	238,970,000	10.79%	28
Massachusetts	\$30,635,651	6,434,389	\$4,761	7	289,869,000	10.57%	36
Michigan	\$36,016,894	10,102,322	\$3,565	30	338,899,250	10.63%	34
Minnesota	\$22,490,583	5,154,586	\$4,363	13	195,663,750	11.49%	18
Mississippi	\$8,180,449	2,899,112	\$2,822	49	75,970,250	10.77%	29
Missouri	\$18,311,736	5,837,639	\$3,137	43	186,985,000	9.79%	44
Montana	\$3,019,675	946,795	\$3,189	41	28,245,500	10.69%	33
Nebraska	\$6,874,574	1,763,765	\$3,898	21	59,331,250	11.59%	14
Nevada	\$9,763,849	2,492,427	\$3,917	20	93,776,250	10.41%	39
New Hampshire	\$4,517,017	1,311,821	\$3,443	32	50,468,000	8.95%	50
New Jersey	\$47,307,677	8,666,075	\$5,459	4	392,088,750	12.07%	9
New Mexico	\$6,974,456	1,942,302	\$3,591	29	56,086,250	12.44%	8
New York	\$123,660,934	19,281,988	\$6,413	1	806,764,000	15.33%	2
North Carolina	\$30,012,764	8,869,442	\$3,384	33	276,063,500	10.87%	27
North Dakota	\$2,367,651	637,460	\$3,714	24	20,580,250	11.50%	17
Ohio	\$43,246,872	11,463,513	\$3,773	23	373,993,750	11.56%	15
Oklahoma	\$11,257,270	3,577,536	\$3,147	42	111,353,000	10.11%	42
Oregon	\$12,402,985	3,691,084	\$3,360	34	118,715,750	10.45%	38
Pennsylvania	\$49,062,635	12,402,817	\$3,956	17	444,250,250	11.04%	25
Rhode Island	\$4,679,980	1,061,641	\$4,408	12	39,067,250	11.98%	10
South Carolina	\$12,444,152	4,330,108	\$2,874	46	125,137,250	9.94%	43
South Dakota	\$2,240,776	788,467	\$2,842	47	24,924,750	8.99%	49
Tennessee	\$17,240,319	6,074,913	\$2,838	48	190,203,500	9.06%	48
Texas	\$75,732,050	23,407,629	\$3,235	37	802,714,917	9.43%	46
Utah	\$8,283,153	2,579,535	\$3,211	40	73,048,750	11.34%	20
Vermont	\$2,752,997	620,778	\$4,435	10	21,041,000	13.08%	7
Virginia	\$30,058,820	7,640,249	\$3,934	19	295,247,250	10.18%	41
Washington	\$25,168,807	6,374,910	\$3,948	18	234,130,250	10.75%	30
West Virginia	\$5,882,442	1,808,699	\$3,252	36	49,438,750	11.90%	12
Wisconsin	\$22,299,546	5,572,660	\$4,002	16	186,752,750	11.94%	11
Wyoming	\$3,136,120	512,757	\$6,116	2	19,797,500	15.84%	1
U.S. Totals	1,190,708,747	298,169,360	\$3,993		10,600,233,917	11.23%	

Sources: Bureau of the Census and Bureau of Economic Analysis, U.S. Department of Commerce.

Table A-44
STATE AND LOCAL PROPERTY TAX BURDEN COMPARISONS, FY 2006

<u>State</u>	FY 2006	2006	FY 2006	Rank	FY 2006	FY 2006	Rank
	State & Local		State & Local		Personal	Total	
	Property Taxes	Population	Property Taxes		Income	Property Tax	
	(thousands)		Per Person		(thousands)	Revenue	
						as a % of	
						Income	
Alabama	\$1,926,854	4,590,240	\$420	50	\$139,918,500	1.38%	50
Alaska	\$969,186	677,450	\$1,431	12	25,079,750	3.86%	14
Arizona	\$5,524,045	6,165,689	\$896	35	189,482,000	2.92%	31
Arkansas	\$1,320,137	2,809,111	\$470	49	77,432,500	1.70%	46
California	\$37,225,196	36,249,872	\$1,027	28	1,396,357,250	2.67%	36
Colorado	\$5,269,089	4,766,248	\$1,106	23	182,131,250	2.89%	32
Connecticut	\$7,566,269	3,495,753	\$2,164	2	172,895,750	4.38%	8
Delaware	\$530,764	852,747	\$622	43	32,519,000	1.63%	48
Florida	\$23,044,982	18,057,508	\$1,276	16	642,015,000	3.59%	18
Georgia	\$8,946,070	9,342,080	\$958	33	292,712,750	3.06%	28
Hawaii	\$982,653	1,278,635	\$769	39	45,771,500	2.15%	43
Idaho	\$1,238,724	1,463,878	\$846	37	42,099,500	2.94%	30
Illinois	\$19,555,118	12,777,042	\$1,530	10	477,462,750	4.10%	11
Indiana	\$8,407,529	6,302,646	\$1,334	15	198,516,750	4.24%	10
Iowa	\$3,391,938	2,972,566	\$1,141	21	95,831,250	3.54%	19
Kansas	\$3,273,931	2,755,817	\$1,188	19	92,666,750	3.53%	20
Kentucky	\$2,420,696	4,204,444	\$576	46	121,734,500	1.99%	45
Louisiana	\$2,469,740	4,243,288	\$582	45	114,629,500	2.15%	42
Maine	\$2,210,504	1,314,910	\$1,681	9	41,400,000	5.34%	3
Maryland	\$5,961,742	5,602,017	\$1,064	26	238,970,000	2.49%	40
Massachusetts	\$10,828,955	6,434,389	\$1,683	8	289,869,000	3.74%	17
Michigan	\$13,525,071	10,102,322	\$1,339	14	338,899,250	3.99%	13
Minnesota	\$5,340,562	5,154,586	\$1,036	27	195,663,750	2.73%	34
Mississippi	\$2,076,028	2,899,112	\$716	41	75,970,250	2.73%	33
Missouri	\$4,984,531	5,837,639	\$854	36	186,985,000	2.67%	37
Montana	\$1,058,805	946,795	\$1,118	22	28,245,500	3.75%	16
Nebraska	\$2,234,031	1,763,765	\$1,267	17	59,331,250	3.77%	15
Nevada	\$2,509,147	2,492,427	\$1,007	29	93,776,250	2.68%	35
New Hampshire	\$2,780,460	1,311,821	\$2,120	3	50,468,000	5.51%	1
New Jersey	\$20,549,427	8,666,075	\$2,371	1	392,088,750	5.24%	4
New Mexico	\$954,082	1,942,302	\$491	48	56,086,250	1.70%	47
New York	\$36,438,151	19,281,988	\$1,890	5	806,764,000	4.52%	7
North Carolina	\$6,985,360	8,869,442	\$788	38	276,063,500	2.53%	39
North Dakota	\$634,373	637,460	\$995	31	20,580,250	3.08%	26
Ohio	\$12,596,479	11,463,513	\$1,099	24	373,993,750	3.37%	21
Oklahoma	\$1,802,461	3,577,536	\$504	47	111,353,000	1.62%	49
Oregon	\$3,684,953	3,691,084	\$998	30	118,715,750	3.10%	25
Pennsylvania	\$14,214,051	12,402,817	\$1,146	20	444,250,250	3.20%	22
Rhode Island	\$1,887,857	1,061,641	\$1,778	7	39,067,250	4.83%	6
South Carolina	\$3,960,046	4,330,108	\$915	34	125,137,250	3.16%	23
South Dakota	\$767,181	788,467	\$973	32	24,924,750	3.08%	27
Tennessee	\$4,125,714	6,074,913	\$679	42	190,203,500	2.17%	41
Texas	\$32,486,125	23,407,629	\$1,388	13	802,714,917	4.05%	12
Utah	\$1,876,730	2,579,535	\$728	40	73,048,750	2.57%	38
Vermont	\$1,148,328	620,778	\$1,850	6	21,041,000	5.46%	2
Virginia	\$9,233,053	7,640,249	\$1,208	18	295,247,250	3.13%	24
Washington	\$6,910,760	6,374,910	\$1,084	25	234,130,250	2.95%	29
West Virginia	\$1,059,060	1,808,699	\$586	44	49,438,750	2.14%	44
Wisconsin	\$8,023,556	5,572,660	\$1,440	11	186,752,750	4.30%	9
Wyoming	\$984,990	512,757	\$1,921	4	19,797,500	4.98%	5
U.S. Totals	357,895,494	298,169,360	\$1,200		10,600,233,917	3.38%	

Sources: Bureau of the Census and Bureau of Economic Analysis, U.S. Department of Commerce.

Table A-45
STATE AND LOCAL SALES Y TAX BURDEN COMPARISONS, FY 2006

<u>State</u>	<u>FY 2006</u>		<u>FY 2006</u>		<u>FY 2006</u>		<u>FY 2006</u>
	<u>State & Local</u> <u>Sales Taxes</u> <u>(thousands)</u>	<u>2006</u> <u>Population</u>	<u>State & Local</u> <u>Sales Taxes</u> <u>Per Person</u>	<u>Rank</u>	<u>Personal</u> <u>Income</u> <u>(thousands)</u>	<u>Sales Tax</u> <u>Revenue</u> <u>as a % of</u> <u>Income</u>	<u>Rank</u>
Alabama	\$3,843,747	4,590,240	\$837	26	\$139,918,500	2.75%	20
Alaska	\$171,375	677,450	\$253	46	25,079,750	0.68%	46
Arizona	\$7,463,355	6,165,689	\$1,210	10	189,482,000	3.94%	9
Arkansas	\$3,598,486	2,809,111	\$1,281	7	77,432,500	4.65%	4
California	\$40,347,535	36,249,872	\$1,113	13	1,396,357,250	2.89%	16
Colorado	\$4,800,719	4,766,248	\$1,007	17	182,131,250	2.64%	24
Connecticut	\$3,040,683	3,495,753	\$870	23	172,895,750	1.76%	40
Delaware	\$0	852,747	\$0	47	32,519,000	0.00%	47
Florida	\$21,975,794	18,057,508	\$1,217	9	642,015,000	3.42%	12
Georgia	\$9,491,915	9,342,080	\$1,016	16	292,712,750	3.24%	14
Hawaii	\$2,355,316	1,278,635	\$1,842	2	45,771,500	5.15%	2
Idaho	\$1,078,543	1,463,878	\$737	37	42,099,500	2.56%	26
Illinois	\$9,064,370	12,777,042	\$709	38	477,462,750	1.90%	39
Indiana	\$5,334,275	6,302,646	\$846	24	198,516,750	2.69%	22
Iowa	\$2,272,316	2,972,566	\$764	35	95,831,250	2.37%	32
Kansas	\$2,828,945	2,755,817	\$1,027	15	92,666,750	3.05%	15
Kentucky	\$2,758,327	4,204,444	\$656	40	121,734,500	2.27%	36
Louisiana	\$6,597,552	4,243,288	\$1,555	4	114,629,500	5.76%	1
Maine	\$1,041,216	1,314,910	\$792	31	41,400,000	2.52%	27
Maryland	\$3,381,694	5,602,017	\$604	43	238,970,000	1.42%	44
Massachusetts	\$4,009,371	6,434,389	\$623	41	289,869,000	1.38%	45
Michigan	\$8,080,905	10,102,322	\$800	30	338,899,250	2.38%	31
Minnesota	\$4,505,892	5,154,586	\$874	22	195,663,750	2.30%	34
Mississippi	\$3,048,798	2,899,112	\$1,052	14	75,970,250	4.01%	8
Missouri	\$4,932,673	5,837,639	\$845	25	186,985,000	2.64%	23
Montana	\$0	946,795	\$0	47	28,245,500	0.00%	47
Nebraska	\$1,648,042	1,763,765	\$934	20	59,331,250	2.78%	19
Nevada	\$3,320,670	2,492,427	\$1,332	6	93,776,250	3.54%	11
New Hampshire	\$0	1,311,821	\$0	47	50,468,000	0.00%	47
New Jersey	\$6,853,418	8,666,075	\$791	32	392,088,750	1.75%	41
New Mexico	\$2,469,425	1,942,302	\$1,271	8	56,086,250	4.40%	5
New York	\$21,801,869	19,281,988	\$1,131	12	806,764,000	2.70%	21
North Carolina	\$6,785,052	8,869,442	\$765	34	276,063,500	2.46%	30
North Dakota	\$510,326	637,460	\$801	29	20,580,250	2.48%	28
Ohio	\$9,201,348	11,463,513	\$803	28	373,993,750	2.46%	29
Oklahoma	\$3,186,220	3,577,536	\$891	21	111,353,000	2.86%	17
Oregon	\$0	3,691,084	\$0	47	118,715,750	0.00%	47
Pennsylvania	\$8,605,237	12,402,817	\$694	39	444,250,250	1.94%	38
Rhode Island	\$854,257	1,061,641	\$805	27	39,067,250	2.19%	37
South Carolina	\$3,282,214	4,330,108	\$758	36	125,137,250	2.62%	25
South Dakota	\$913,848	788,467	\$1,159	11	24,924,750	3.67%	10
Tennessee	\$8,205,677	6,074,913	\$1,351	5	190,203,500	4.31%	6
Texas	\$22,529,042	23,407,629	\$962	18	802,714,917	2.81%	18
Utah	\$2,420,532	2,579,535	\$938	19	73,048,750	3.31%	13
Vermont	\$330,024	620,778	\$532	45	21,041,000	1.57%	42
Virginia	\$4,283,698	7,640,249	\$561	44	295,247,250	1.45%	43
Washington	\$11,813,005	6,374,910	\$1,853	1	234,130,250	5.05%	3
West Virginia	\$1,125,766	1,808,699	\$622	42	49,438,750	2.28%	35
Wisconsin	\$4,394,934	5,572,660	\$789	33	186,752,750	2.35%	33
Wyoming	\$803,259	512,757	\$1,567	3	19,797,500	4.06%	7
U.S. Totals	281,361,665	298,169,360	\$944		10,600,233,917	2.65%	

Sources: Bureau of the Census and Bureau of Economic Analysis, U.S. Department of Commerce.

Table A-46
STATE AND LOCAL INCOME TAX BURDEN COMPARISONS, FY 2006

<u>State</u>	<u>FY 2006</u>	<u>2006</u>	<u>FY 2006</u>	<u>Rank</u>	<u>FY 2006</u>	<u>FY 2006</u>	<u>Rank</u>
	<u>State & Local</u>		<u>State & Local</u>		<u>Personal</u>	<u>Total</u>	
	<u>Income Taxes</u>	<u>Population</u>	<u>Income Taxes</u>		<u>Income</u>	<u>Revenue</u>	
	<u>(thousands)</u>		<u>Per Person</u>		<u>(thousands)</u>	<u>as a % of</u>	
						<u>Income</u>	
Alabama	\$2,876,442	4,590,240	\$627	36	\$139,918,500	2.06%	35
Alaska	\$0	677,450	\$0	44	25,079,750	0.00%	44
Arizona	\$3,253,279	6,165,689	\$528	39	189,482,000	1.72%	39
Arkansas	\$2,012,835	2,809,111	\$717	32	77,432,500	2.60%	25
California	\$51,219,823	36,249,872	\$1,413	6	1,396,357,250	3.67%	5
Colorado	\$4,258,944	4,766,248	\$894	19	182,131,250	2.34%	32
Connecticut	\$5,777,636	3,495,753	\$1,653	3	172,895,750	3.34%	10
Delaware	\$1,076,552	852,747	\$1,262	8	32,519,000	3.31%	11
Florida	\$0	18,057,508	\$0	44	642,015,000	0.00%	44
Georgia	\$8,040,366	9,342,080	\$861	24	292,712,750	2.75%	19
Hawaii	\$1,550,757	1,278,635	\$1,213	9	45,771,500	3.39%	9
Idaho	\$1,222,569	1,463,878	\$835	26	42,099,500	2.90%	17
Illinois	\$8,635,104	12,777,042	\$676	33	477,462,750	1.81%	38
Indiana	\$4,994,800	6,302,646	\$792	29	198,516,750	2.52%	30
Iowa	\$2,482,891	2,972,566	\$835	25	95,831,250	2.59%	27
Kansas	\$2,402,083	2,755,817	\$872	23	92,666,750	2.59%	26
Kentucky	\$3,921,908	4,204,444	\$933	18	121,734,500	3.22%	13
Louisiana	\$2,501,120	4,243,288	\$589	37	114,629,500	2.18%	33
Maine	\$1,368,927	1,314,910	\$1,041	15	41,400,000	3.31%	12
Maryland	\$9,847,319	5,602,017	\$1,758	2	238,970,000	4.12%	3
Massachusetts	\$10,483,437	6,434,389	\$1,629	4	289,869,000	3.62%	6
Michigan	\$6,698,913	10,102,322	\$663	34	338,899,250	1.98%	37
Minnesota	\$6,862,953	5,154,586	\$1,331	7	195,663,750	3.51%	7
Mississippi	\$1,254,733	2,899,112	\$433	40	75,970,250	1.65%	40
Missouri	\$4,821,082	5,837,639	\$826	27	186,985,000	2.58%	28
Montana	\$768,911	946,795	\$812	28	28,245,500	2.72%	20
Nebraska	\$1,545,024	1,763,765	\$876	21	59,331,250	2.60%	24
Nevada	\$0	2,492,427	\$0	44	93,776,250	0.00%	44
New Hampshire	\$80,931	1,311,821	\$62	42	50,468,000	0.16%	42
New Jersey	\$10,506,565	8,666,075	\$1,212	10	392,088,750	2.68%	21
New Mexico	\$1,123,954	1,942,302	\$579	38	56,086,250	2.00%	36
New York	\$38,611,920	19,281,988	\$2,002	1	806,764,000	4.79%	1
North Carolina	\$9,467,278	8,869,442	\$1,067	13	276,063,500	3.43%	8
North Dakota	\$275,630	637,460	\$432	41	20,580,250	1.34%	41
Ohio	\$13,766,469	11,463,513	\$1,201	11	373,993,750	3.68%	4
Oklahoma	\$2,755,776	3,577,536	\$770	30	111,353,000	2.47%	31
Oregon	\$5,537,385	3,691,084	\$1,500	5	118,715,750	4.66%	2
Pennsylvania	\$12,326,373	12,402,817	\$994	16	444,250,250	2.77%	18
Rhode Island	\$1,019,482	1,061,641	\$960	17	39,067,250	2.61%	23
South Carolina	\$2,727,251	4,330,108	\$630	35	125,137,250	2.18%	34
South Dakota	\$0	788,467	\$0	44	24,924,750	0.00%	44
Tennessee	\$192,764	6,074,913	\$32	43	190,203,500	0.10%	43
Texas	\$0	23,407,629	\$0	44	802,714,917	0.00%	44
Utah	\$2,277,478	2,579,535	\$883	20	73,048,750	3.12%	15
Vermont	\$542,012	620,778	\$873	22	21,041,000	2.58%	29
Virginia	\$9,073,077	7,640,249	\$1,188	12	295,247,250	3.07%	16
Washington	\$0	6,374,910	\$0	44	234,130,250	0.00%	44
West Virginia	\$1,297,720	1,808,699	\$717	31	49,438,750	2.62%	22
Wisconsin	\$5,906,515	5,572,660	\$1,060	14	186,752,750	3.16%	14
Wyoming	\$0	512,757	\$0	44	19,797,500	0.00%	44
U.S. Totals	267,366,988	298,169,360	\$897		10,600,233,917	2.52%	
States with an Income Tax			\$1,091			3.06%	

Sources: U.S. Census Bureau and Bureau of Economic Analysis, U.S. Department of Commerce.

TABLE A-47
BUSINESS TAXES AS A SHARE OF TOTAL STATE AND LOCAL TAXES AND PRIVATE
SECTOR GROSS STATE PRODUCT, COUNCIL ON STATE TAXATION ESTIMATES, FY 2008
(BILLIONS OF DOLLARS)

State	State and Local Business Taxes	Total State and Local Taxes	Business Percent of Total Taxes	Rank	Eff. Tax Rate (% of Private Sector GSP)	Rank
Alabama	6.3	13.8	45.5%	25	4.5%	35
Alaska	8.2	9.2	89.3%	1	22.3%	1
Arizona	10.2	20.5	49.9%	15	4.7%	27
Arkansas	3.7	9.6	38.9%	41	4.5%	35
California	73.7	181.3	40.7%	36	4.6%	30
Colorado	8.7	19.6	44.2%	27	4.2%	40
Connecticut	7.3	22.5	32.3%	49	3.7%	48
Delaware	2.1	4.0	52.8%	9	3.8%	47
Florida	33.9	69.9	48.5%	17	5.2%	18
Georgia	13.9	33.6	41.4%	33	4.0%	44
Hawaii	2.5	6.7	38.1%	44	5.4%	14
Idaho	2.1	5.3	39.4%	38	4.7%	27
Illinois	26.9	58.5	46.0%	22	4.9%	25
Indiana	11.1	25.8	42.9%	29	5.0%	22
Iowa	5.2	11.4	45.5%	25	4.6%	30
Kansas	5.7	12.0	47.5%	19	5.7%	11
Kentucky	6.0	14.3	41.6%	32	4.5%	35
Louisiana	10.1	17.0	59.4%	6	5.2%	18
Maine	3.0	6.4	47.4%	20	7.3%	4
Maryland	9.2	29.9	30.7%	50	4.1%	42
Massachusetts	13.6	35.8	37.9%	45	4.2%	40
Michigan	16.8	39.5	42.5%	30	5.0%	22
Minnesota	9.8	24.9	39.3%	40	4.3%	39
Mississippi	4.4	9.2	48.1%	18	6.0%	7
Missouri	8.3	20.5	40.4%	37	4.1%	42
Montana	1.9	3.5	52.5%	10	6.4%	6
Nebraska	3.5	7.5	46.5%	21	5.1%	21
Nevada	5.2	10.5	49.9%	15	4.6%	30
New Hampshire	2.8	5.0	55.4%	8	5.4%	14
New Jersey	20.7	55.7	37.2%	46	5.0%	22
New Mexico	3.8	6.8	56.1%	7	6.0%	7
New York	57.4	140.5	40.9%	35	5.8%	10
North Carolina	12.4	34.2	36.2%	48	3.6%	50
North Dakota	2.1	3.2	65.3%	3	8.9%	3
Ohio	18.9	44.8	42.2%	31	4.6%	30
Oklahoma	6.3	12.5	50.1%	14	5.3%	16
Oregon	5.1	13.3	38.2%	43	3.7%	48
Pennsylvania	23.3	56.8	41.1%	34	4.9%	25
Rhode Island	2.3	5.1	45.8%	23	5.7%	11
South Carolina	6.0	13.9	43.3%	28	4.7%	27
South Dakota	1.5	2.5	61.7%	4	5.2%	18
Tennessee	9.7	19.2	50.6%	13	4.5%	35
Texas	54.5	89.1	61.2%	5	5.3%	16
Utah	3.6	9.4	38.5%	42	3.9%	45
Vermont	1.3	2.8	45.8%	23	6.0%	7
Virginia	12.2	33.4	36.7%	47	3.9%	45
Washington	14.8	28.9	51.3%	12	5.5%	13
West Virginia	3.4	6.5	52.2%	11	7.1%	5
Wisconsin	9.4	24.0	39.4%	38	4.6%	30
Wyoming	<u>2.5</u>	<u>3.4</u>	<u>74.3%</u>	2	<u>9.2%</u>	2
United States	\$590.0	\$1,309.4	44.1%		4.9%	

Note: US totals include District of Columbia

Source: Ernst & Young calculations

Table A-48
TOTAL BUSINESS ESTABLISHMENTS BY STATE
(Numbers in Thousands)

State	2000	2006	Percentage Change	2000 Rank	2006 Rank
Alabama	99,817	103,460	4%	25	25
Alaska	18,501	19,892	8%	50	51
Arizona	114,804	137,845	20%	22	21
Arkansas	63,185	66,795	6%	32	33
California	799,863	878,128	10%	1	1
Colorado	137,528	154,536	12%	19	16
Connecticut	92,436	93,421	1%	27	27
Delaware	23,771	25,613	8%	46	45
District of Columbia	19,655	21,002	7%	49	49
Florida	428,438	517,069	21%	4	2
Georgia	200,442	225,996	13%	11	10
Hawaii	29,853	33,118	11%	43	43
Idaho	37,429	45,739	22%	40	38
Illinois	308,067	321,356	4%	5	5
Indiana	146,321	151,283	3%	15	17
Iowa	80,890	82,698	2%	30	30
Kansas	74,939	76,446	2%	31	31
Kentucky	89,921	92,829	3%	28	28
Louisiana	101,016	101,802	1%	23	26
Maine	39,466	42,038	7%	39	39
Maryland	128,467	140,292	9%	21	20
Massachusetts	176,222	175,463	0%	12	14
Michigan	236,912	235,750	0%	8	9
Minnesota	139,080	151,150	9%	18	18
Mississippi	59,788	60,590	1%	33	35
Missouri	144,755	154,546	7%	16	15
Montana	31,849	36,649	15%	42	42
Nebraska	49,623	51,906	5%	35	36
Nevada	48,178	61,164	27%	36	34
New Hampshire	37,414	39,376	5%	41	41
New Jersey	233,559	243,055	4%	9	8
New Mexico	42,782	45,940	7%	37	37
New York	492,073	515,950	5%	2	3
North Carolina	203,903	222,431	9%	10	11
North Dakota	20,139	21,332	6%	48	48
Ohio	270,509	269,914	0%	7	7
Oklahoma	85,094	89,628	5%	29	29
Oregon	100,645	110,684	10%	24	23
Pennsylvania	294,741	304,058	3%	6	6
Rhode Island	28,534	30,398	7%	44	44
South Carolina	97,146	105,296	8%	26	24
South Dakota	23,783	25,482	7%	45	46
Tennessee	130,876	135,074	3%	20	22
Texas	471,509	509,080	8%	3	4
Utah	55,379	68,754	24%	34	32
Vermont	21,564	22,317	3%	47	47
Virginia	175,582	197,263	12%	13	12
Washington	164,018	179,908	10%	14	13
West Virginia	41,047	40,566	-1%	38	40
Wisconsin	140,415	145,836	4%	17	19
Wyoming	18,120	20,242	12%	51	50
United States	7,070,048	7,601,160	8%		

Source: U.S. Census County Business Pattern Data and Michigan Department of Treasury calculations.

Table A-49
MICHIGAN MAJOR SECTOR PAYROLL

Source	2000			2006			Percentage Change			
	Total Payroll (1000\$)	Employees*	Payroll Per Employee	Total Payroll	Employees	Payroll Per Employee	Total Payroll	Employees	Payroll Per Employee	Inflation Adjusted Payroll Per Employee
Forestry, Fishing, Ag Support	\$92,989	3,672	\$25,324	\$92,526	3,073	\$30,109	0%	-16%	19%	2%
Mining	\$317,892	6,447	\$49,309	\$340,349	5,937	\$57,327	7%	-8%	16%	-1%
Utilities	\$1,681,323	25,216	\$66,677	\$1,662,216	23,521	\$70,669	-1%	-7%	6%	-9%
Construction	\$8,518,840	203,994	\$41,760	\$7,343,055	156,318	\$46,975	-14%	-23%	12%	-4%
Manufacturing	\$37,795,762	819,227	\$46,136	\$30,905,187	614,888	\$50,261	-18%	-25%	9%	-7%
Wholesale Trade	\$8,887,250	190,692	\$46,605	\$9,337,832	173,601	\$53,789	5%	-9%	15%	-1%
Retail Trade	\$10,667,144	544,525	\$19,590	\$10,428,674	489,183	\$21,319	-2%	-10%	9%	-7%
Trans., Warehousing	\$3,637,957	100,252	\$36,288	\$4,179,675	105,341	\$39,678	15%	5%	9%	-7%
Information	\$4,293,515	93,279	\$46,029	\$4,490,290	81,810	\$54,887	5%	-12%	19%	2%
Finance, Insurance	\$7,351,344	164,249	\$44,757	\$8,659,620	167,343	\$51,748	18%	2%	16%	-1%
Real Estate, Rental/Leasing	\$1,585,249	58,738	\$26,988	\$1,837,058	59,345	\$30,956	16%	1%	15%	-2%
Prof., Scien., Tech Services	\$9,887,250	208,560	\$47,407	\$18,992,195	302,222	\$62,842	92%	45%	33%	13%
Mangmnt of Companies	\$13,112,308	166,336	\$78,830	\$10,698,704	118,250	\$90,475	-18%	-29%	15%	-2%
Admin, Support, Waste Mgmt	\$7,931,587	315,030	\$25,177	\$10,933,114	341,956	\$31,972	38%	9%	27%	8%
Educational Services	\$1,174,983	55,905	\$21,017	\$1,531,411	66,814	\$22,921	30%	20%	9%	-7%
Health Care, Social Assistance	\$15,365,005	488,779	\$31,435	\$20,439,729	541,170	\$37,770	33%	11%	20%	3%
Arts, Entertain., Recreation	\$1,302,998	54,875	\$23,745	\$1,580,187	54,564	\$28,960	21%	-1%	22%	4%
Accommodation, Food Services	\$3,494,549	325,162	\$10,747	\$4,040,346	338,092	\$11,950	16%	4%	11%	-5%
Other Services (ex Pub. Admin.)	\$3,893,658	184,510	\$21,103	\$3,964,184	173,930	\$22,792	2%	-6%	8%	-8%
Unclassified**	\$4,490,887	63,338	\$70,904	\$48,028	2,179	\$22,041	-99%	-97%	-69%	-73%
Total	\$145,482,490	4,072,786	\$35,721	\$151,504,380	3,819,537	\$39,666	4%	-6%	11%	-5%

*Using mid-March employee data.

**2000 Not Elsewhere classified includes "auxiliaries"; auxiliary data not reported for 2006.

Inflation adjustment done using U.S. CPI-U. Growth in the U.S. CPI-U between 2000 and 2006 was 17.1 percent.

Source: U.S. Census Bureau County Business Pattern Data and Department of Treasury Calculations.

Table A-50
TOTAL PRIVATE EMPLOYMENT, PAYROLL, AND NUMBER OF ESTABLISMENTS BY COUNTY

	2006			Percent of Statewide Total		
	Private Sector Employment	Annual Payroll (000)	Number of Establishments	Private Sector Employment	Annual Payroll (000)	Number of Establishments
Alcona	1,095	\$27,367	229	0.03%	0.02%	0.10%
Alger	2,111	\$61,158	262	0.06%	0.04%	0.11%
Allegan	34,200	\$1,178,211	2,367	0.90%	0.78%	1.00%
Alpena	11,907	\$352,641	884	0.31%	0.23%	0.37%
Antrim	5,602	\$134,134	628	0.15%	0.09%	0.27%
Arenac	3,507	\$88,288	372	0.09%	0.06%	0.16%
Baraga	1,853	\$56,648	205	0.05%	0.04%	0.09%
Barry	11,100	\$333,796	1,036	0.29%	0.22%	0.44%
Bay	31,884	\$1,100,866	2,428	0.83%	0.73%	1.03%
Benzie	2,966	\$78,048	479	0.08%	0.05%	0.20%
Berrien	57,775	\$1,989,925	3,871	1.51%	1.31%	1.64%
Branch	13,027	\$387,260	899	0.34%	0.26%	0.38%
Calhoun	53,639	\$1,996,991	2,874	1.40%	1.32%	1.22%
Cass	9,033	\$256,010	842	0.24%	0.17%	0.36%
Charlevoix	8,617	\$271,516	911	0.23%	0.18%	0.39%
Cheboygan	5,859	\$159,718	831	0.15%	0.11%	0.35%
Chippewa	9,249	\$221,541	871	0.24%	0.15%	0.37%
Clare	5,996	\$158,265	582	0.16%	0.10%	0.25%
Clinton	12,265	\$375,550	1,226	0.32%	0.25%	0.52%
Crawford	3,665	\$101,451	362	0.10%	0.07%	0.15%
Delta	13,506	\$382,258	1,184	0.35%	0.25%	0.50%
Dickinson	12,986	\$468,123	965	0.34%	0.31%	0.41%
Eaton	29,825	\$1,067,158	1,946	0.78%	0.70%	0.83%
Emmet	14,637	\$469,738	1,643	0.38%	0.31%	0.70%
Genesee	134,327	\$4,866,425	8,754	3.52%	3.21%	3.71%
Gladwin	3,968	\$108,548	482	0.10%	0.07%	0.20%
Gogebic	4,635	\$96,991	451	0.12%	0.06%	0.19%
Grand Traverse	45,758	\$1,498,833	3,682	1.20%	0.99%	1.56%
Gratiot	11,401	\$309,517	795	0.30%	0.20%	0.34%
Hillsdale	12,956	\$353,354	921	0.34%	0.23%	0.39%
Houghton	9,747	\$239,588	933	0.26%	0.16%	0.40%
Huron	10,118	\$287,738	1,018	0.26%	0.19%	0.43%
Ingham	122,697	\$4,297,495	7,065	3.21%	2.84%	3.00%
Ionia	11,064	\$311,500	984	0.29%	0.21%	0.42%

Table A-50 (continued)

	2006			Percent of Statewide Total		
	Private Sector Employment	Annual Payroll (000)	Number of Establishments	Private Sector Employment	Annual Payroll (000)	Number of Establishments
Iosco	7,082	\$204,646	730	0.19%	0.14%	0.31%
Iron	3,111	\$75,392	408	0.08%	0.05%	0.17%
Isabella	21,553	\$548,639	1,519	0.56%	0.36%	0.64%
Jackson	51,564	\$1,767,970	3,344	1.35%	1.17%	1.42%
Kalamazoo	108,496	\$4,668,608	5,795	2.84%	3.08%	2.46%
Kalkaska	3,459	\$117,110	364	0.09%	0.08%	0.15%
Kent	326,148	\$12,072,819	16,264	8.54%	7.97%	6.90%
Keweenaw	203	\$3,583	59	0.01%	0.00%	0.03%
Lake	1,121	\$23,948	166	0.03%	0.02%	0.07%
Lapeer	18,739	\$505,216	1,793	0.49%	0.33%	0.76%
Leelanau	3,947	\$108,575	701	0.10%	0.07%	0.30%
Lenawee	27,692	\$840,316	2,081	0.73%	0.55%	0.88%
Livingston	49,412	\$1,559,319	4,147	1.29%	1.03%	1.76%
Luce	1,628	\$44,075	178	0.04%	0.03%	0.08%
Mackinac	2,196	\$71,215	479	0.06%	0.05%	0.20%
Macomb	303,912	\$12,006,792	19,074	7.96%	7.93%	8.09%
Manistee	5,343	\$161,313	638	0.14%	0.11%	0.27%
Marquette	22,339	\$673,382	1,741	0.58%	0.44%	0.74%
Mason	8,798	\$264,439	815	0.23%	0.17%	0.35%
Mecosta	9,750	\$264,186	807	0.26%	0.17%	0.34%
Menominee	6,023	\$165,231	494	0.16%	0.11%	0.21%
Midland	33,745	\$1,628,910	1,883	0.88%	1.08%	0.80%
Missaukee	1,879	\$46,710	283	0.05%	0.03%	0.12%
Monroe	39,983	\$1,434,839	2,617	1.05%	0.95%	1.11%
Montcalm	12,564	\$360,601	1,133	0.33%	0.24%	0.48%
Montmorency	1,870	\$45,462	263	0.05%	0.03%	0.11%
Muskegon	54,048	\$1,773,325	3,558	1.42%	1.17%	1.51%
Newaygo	10,148	\$325,108	842	0.27%	0.21%	0.36%
Oakland	731,690	\$35,711,847	41,731	19.16%	23.57%	17.70%
Oceana	4,955	\$119,988	583	0.13%	0.08%	0.25%
Ogemaw	6,236	\$157,206	618	0.16%	0.10%	0.26%
Ontonagon	1,754	\$48,975	220	0.05%	0.03%	0.09%
Osceola	5,626	\$191,618	440	0.15%	0.13%	0.19%
Oscoda	1,479	\$38,413	202	0.04%	0.03%	0.09%
Otsego	10,024	\$272,703	863	0.26%	0.18%	0.37%
Ottawa	101,651	\$3,451,809	6,176	2.66%	2.28%	2.62%

Table A-50 (continued)

	2006			Percent of Statewide Total		
	Private Sector Employment	Annual Payroll (000)	Number of Establishments	Private Sector Employment	Annual Payroll (000)	Number of Establishments
Presque Isle	2,309	\$65,345	387	0.06%	0.04%	0.16%
Roscommon	4,827	\$114,837	671	0.13%	0.08%	0.28%
Saginaw	82,170	\$2,714,015	4,778	2.15%	1.79%	2.03%
St. Clair	45,690	\$1,446,144	3,505	1.20%	0.95%	1.49%
St. Joseph	18,837	\$665,976	1,284	0.49%	0.44%	0.54%
Sanilac	10,075	\$261,241	978	0.26%	0.17%	0.41%
Schoolcraft	2,034	\$55,128	253	0.05%	0.04%	0.11%
Shiawassee	15,353	\$394,990	1,314	0.40%	0.26%	0.56%
Tuscola	10,348	\$282,860	1,010	0.27%	0.19%	0.43%
Van Buren	16,767	\$483,667	1,450	0.44%	0.32%	0.62%
Washtenaw	149,581	\$6,361,005	8,286	3.92%	4.20%	3.51%
Wayne	663,804	\$30,104,318	34,718	17.38%	19.87%	14.73%
Wexford	14,036	\$391,981	900	0.37%	0.26%	0.38%
County Unknown	60,563	\$2,321,935	225	1.59%	1.53%	0.10%
Statewide	3,819,537	151,504,380	235,750	100.00%	100.00%	100.00%

Source: U.S. Census County Business Patterns